

*PUBLIC RELATIONS IN MANAGEMENT*

UNIVERSITY OF JODHPUR LIBRARY

# Public Relations in Management

by J. HANDLY WRIGHT

*Director of Industrial and Public Relations  
Monsanto Chemical Company*

and BYRON H. CHRISTIAN

*Professor of Journalism  
University of Washington*

UNIVERSITY OF JOHNPUR LIBRARY

FIRST EDITION  
THIRD IMPRESSION



McGRAW-HILL BOOK COMPANY, INC.

NEW YORK LONDON TORONTO 1949

## PUBLIC RELATIONS IN MANAGEMENT

Copyright, 1919, by the McGraw-Hill Book Company, Inc. Printed in the United States of America. All rights reserved. This book, or parts thereof, may not be reproduced in any form without permission of the publishers.

~~Ref~~ UNIVERSITY OF JODHPUR LIBRARY  
Dept.                      Acc. No. 55-497  
Cal N    X. 5 A    1161  
1161    Accessioning.  
Date of Shelving.

# Preface

---

---

James P. Selvage, a widely respected "public relations counsel," told a group of his contemporaries in a memorable address in New York a few months ago that American business, after passing through four distinct periods of growth, was now entering the fifth.

The first stage, said Mr. Selvage, was that of the production man, the *builder and inventor who knew how to produce something that people could use*. The second stage was that of the financier who brought together the collective capital to enable industry to grow. The third stage was the era of governmental regulation through the Sherman and Clayton acts to insure continued operation of industry in the public interest. The fourth stage was the one that brought the salesman into the ascendancy, the era of spreading markets and intense competition.

Of the fifth stage, Mr. Selvage had this to say: "I affirm with confidence that tomorrow belongs to the man who thinks in terms of the public—the public embracing his employees, his stockholders, his customers, his neighbors surrounding his factories, often the national body politic—and his government. These are the groups that are going to take a lot of pleasing in the years that are just around the corner. These are the publics about whose relations to industry modern business leadership is giving the most intense thought."

Mr. Selvage's words are quoted here because they express as well as anything the authors could devise the thought which motivated this book. The acceptance of this belief by thinking people is reflected in the increasing number of courses now being offered in leading universities to give the student a better appreciation of a subject whose importance is just beginning to dawn upon us.

Public relations, as noted in the closing chapter of this book, is so basically simple and so easily attainable that it is difficult to see why it is subject to such a wide variety of interpretations. One measure of its soundness lies in the fact that it has survived the *many crimes which have been committed in its name*, for the term has been used as an umbrella to cover everything from circus press-agentry to the manipulations of lobbies on Capitol Hill. In the public mind it is often confused with propaganda, promotion, and plain ballyhoo.

This book takes the view that public relations is primarily *good business management, directed from the top but involving every person within or connected with an organization*. Moreover, we hold that public relations can and should be planned on a long-term, constructive basis, the same as any other phase of sound business management.

This book has been prepared with a dual purpose in mind. It is designed to serve as a textbook for the student who hopes to make a career in the field. It is written also as a guide to the executive and supervisor in American business and industry whose decisions can contribute so much to the public relations of the cause or enterprise each represents.

The authors have been guided throughout by the twin principles of simplicity and practicality. It was recognized that a book aimed at supervisory and executive personnel must bear the same critical scrutiny that these key members of American industry apply to any other production or management suggestion. The suggestions contained in this book stem from a background of industrial experience and application.

Each of the authors is indebted to many people for the friendly advice and help in the preparation of this volume. Byron Christian wants to express his appreciation to the fellow members of the faculty of the U.S. Air Force Public Relations School, particularly to Col. William P. Nuckols, its first director, and to Maj. Jack Hewson and Capt. Marvin O. Alexander. He is also grateful for the help of Prof. H. P. Everest, Director of the University of Washington School of Journalism, and Prof. Vernon McKenzie, a member of the staff.

J. Handly Wright wants to thank the many members of the public relations profession, almost too numerous to mention, who cooperated by furnishing information, statistics, and case histories that are incorporated in this volume. For their patient reading and helpful suggestions he wants particularly to thank the members of his own staff—especially James E. McKee for his critical assistance on the chapter on Community Relations, Watt Dwyer and John Hawn for their careful checking and many helpful suggestions on the industrial relations references in the book, and Dan J. Forrestal for his over-all assistance in clarification and general presentation. Finally, to Miss Estelle Matthaei and to Miss Eva Stringer, secretaries and general assistants to Mr. Wright, for their work in typing, proofreading, and indexing the book, go the thanks of both authors.

Both authors also want to express publicly their appreciation to the many persons whose words are quoted at the head of each chapter and in the text of the book.

Throughout the book, the term "public relations" is used as a singular noun.

J. HANDLY WRIGHT  
BYRON H. CHRISTIAN

ST. LOUIS, MO.  
SEATTLE, WASH.  
January, 1949

# Contents

---



---

PREFACE . . . . .	v
CHAPTER	
1. What Is Public Relations? . . . . .	1
2. Know Your Publics . . . . .	14
3. The Public Interest . . . . .	27
4. Who Does Public Relations? . . . . .	42
5. Public Relations in Action . . . . .	54
6. Getting the Facts . . . . .	66
7. Planning the Program . . . . .	79
8. The Problems of Business . . . . .	94
9. Business and the Community . . . . .	108
10. Business and Supporting Publics . . . . .	123
11. Business Moves Ahead . . . . .	138
12. The Trade Associations . . . . .	150
13. Government and Politics . . . . .	163
14. Labor Enters the Field . . . . .	173
15. Public Relations in the Social Field . . . . .	184
16. Letting the People Know . . . . .	196
17. Further Avenues to the Public . . . . .	208
18. The Future in Public Relations . . . . .	218
INDEX . . . . .	227

## Chapter I

# What Is Public Relations?

---

---

Public relations . . . is not something that can be bought like a typewriter or suspended like an order for raw materials. *It is a way of life—expressing itself every hour in attitudes and actions affecting workers, customers, and the community.*

*McGraw-Hill Publishing Company, Inc.*

Public relations seeks to endow a corporation with that which in an individual would be good manners and good morals.

*EDGAR M. QUENEY, chairman of the board,  
Monsanto Chemical Company.*

We may define public relations as the words and deeds, of an individual or a group, judged by the common concept of sound human conduct.

*JOHN PRICE JONES and DAVID McLAREN CHURCH, of John  
Price Jones Corporation, At the Bar of Public Opinion.*

Public relations is simply a name for those activities and relations of ours that are public and which have a social significance.

*PROFESSOR HARWOOD L. CHILES, Princeton University.*

### DEVELOPMENT OF PUBLIC RELATIONS

Topsy's famous line, "I 'spect I growed. Don't think nobody never made me," applies with aptness to public relations. From obscure parentage and without much bringing up, public relations has "growed" into American life over the past three decades until it has assumed a vital importance in public affairs.

The need for good relations with the public on the part of an individual or an organization has always existed, but recognition of the value of making conscious efforts to win public acclaim was slow in dawning. Business was first to note the importance of



this approach. Today the practice of public relations has spread into almost every field of human activity—government, politics, the military, business, industry, labor, education, religion, medicine, charity, and all types of civic and social affairs. There is scarcely an organized group in America that does not carry on planned public relations activities in one form or another.

*Some organizations spend thousands—even millions—of dollars every year in intensive propaganda, in pressure tactics on members of Congress and state legislatures, and in elaborate promotion, publicity, and puffery campaigns, in order to bend the public will to their own special purposes. It is true that these methods often win concessions, but they do not always win friends. The goal of public relations is, and always must be, the building of public friendships on a lasting basis.*

#### GETTING ALONG WITH PEOPLE

Public relations begins with you as an individual. In simplest terms, it is merely your relations with other people—how you get along with them and how they get along with you. If people are friendly and willing to work with you, you may assume your public relations is pretty good. If people, however, are definitely unfriendly and likely to be critical, then you may suspect that your public relations is probably bad.

Your relations with the public (or any publics with which you come in contact) are significant if you are a movie star, a county commissioner, a corner grocer, or just a fellow trying to get along with his neighbors. The same is true of the business corporation, large or small, of the labor union, of the government bureau, of the social agency. Each is trying constantly to improve its relations with the people whom it may serve, who serve it, or with whom it may have even a remote connection.

#### A WORKING DEFINITION

There have been many definitions of public relations, four of which are offered at the beginning of this chapter. Two others are noted because of their wit and brevity:

*Public relations is being good and getting credit for it.*

*Public relations is 90 per cent doing right and 10 per cent talking about it.*

The authors beg leave to submit **their** own definition, not because it is an improvement on the others that have been written, but because it emphasizes several points that will be referred to throughout this book. Here it is:

Modern public relations is a *planned program of policies and conduct* that will build *public confidence* and increase *public understanding*.

The last two italicized terms, broadly speaking, are the objectives that we hope to reach through our public relations—a fuller public confidence in what we are doing and a better understanding of what we are trying to do. Yet we scarcely can hope to attain these objectives without a program—a program that will interest and satisfy the public.

A program is not a hit-and-miss affair—a mélange of press releases, radio broadcasts, and public entertainments. A program must be planned, just as any military operation is planned, in order to reach the desired objectives. These points are so simple as to be obvious; yet the fact is that much of what passes for public relations today is without any objectives, without any program, and without any plan.

The two most important words in this definition are *policies* and *conduct*. These terms do not refer to the policies and practices of the public relations director and his staff in handling the routine duties of his office. "Policies" means the policies laid down by top management in its stewardship of the institution, whether it be a large corporation, a government office, or a social agency. "Conduct" means the conduct of everyone within the organization from top executive to janitor.

#### A PHASE OF MANAGEMENT

Public relations is not a job for just a few professionals. It is a phase of management. Management sets the policies. The staff and employees carry them out. When the two are working together, public relations is on a sound footing.

How do policies and conduct enter into public relations? If you were a public relations counsel and were asked to draw up a program for an industrial enterprise, among the first questions you would ask are these:

Do the directors and the management of the company have a good reputation with the public?

Are the employees not only satisfied, loyal, and proud to work for the company, but do they "sell" it to their friends outside?

What are the company's relations with organized labor?

What are its relations with community groups—churches, schools, clubs, etc.—with the city government and civic leaders?

How do its customers feel about the company and its services?

What is the general public's attitude?

All of these questions stem from the policies set by the company and the conduct of every individual in it. If its public relations is not right, the reasons probably will be found in the study and analysis here outlined.

Let us summarize, then, the main features of our definition:

The success of any institution, public or private, rests on public confidence and public understanding.

Public confidence is measured by the way an institution formulates its policies and conducts its affairs in the light of those policies.

Public understanding is based on the dissemination to the public of prompt, adequate, and truthful information.

Good public relations, therefore, is a combination of good conduct and honest reporting.

#### PACKAGED PUBLIC RELATIONS

There is an unwarranted assumption among some executives today that they can purchase good public relations over the counter like a bar of soap, that they can call in a miracle man who will win public good will without disturbing the policies and practices of their enterprises.

The magazine *Fortune* inferentially asked a few years ago whether the following ingenious devices might be termed public relations:

. . . when Samuel Insull, facing trial, was coached by Steve Hannagan to live in a second-rate hotel and ride on busses,

. . . when Beech-Nut Packing Company, through Edward L. Bernays, got doctors to come out for big breakfasts, knowing that the result would be more bacon sold.

. . . when society leaders, also through Bernays, came out with statements that a woman should take at least three dresses on the most informal week end, and the luggage industry, as per plan, began to sell more bags.

. . . when President Hoover, Thomas Edison, and Henry Ford, again under Bernays's guidance, gathered at Dearborn to celebrate Light's Golden Jubilee, and the first lamp appeared on a commemorative postage stamp.

. . . when Rockefeller Center (public relations man: Merle Crowell) set out a tree at Christmas and flowers at Easter, and when it erected a covered platform to overlook an active excavation job and called it the "Sidewalk Superintendents' Club."

. . . when Carole Lombard said that she was glad to pay an income tax of 85.5 per cent, and she thought the government, in spending it to improve the country, had given her her money's worth.

. . . when you noticed that the truck blocking your way had written on its rear, "Our drivers are instructed to give you the courtesy of the road."

*Fortune* concluded that it was necessary to narrow the definition of public relations as it applies specifically to business corporations as follows:

Our arbitrary definition at once excludes all the persuasive words and acts of politicians, amusement enterprises, charitable organizations, and universities. It also excludes the efforts of business itself, however devious and artful, to promote the sale of its own products. It is concerned solely with the conduct of individual businesses, as organizations of people banded together in an effort to make a living for themselves and a profit for investors.

It may not be feasible to go this far in limiting the scope of public relations. In fact, the authors would contend that adver-

tising and selling may legitimately serve as public relations techniques, but only within the framework of proper corporate conduct. It becomes increasingly clear, then, that public relations is not a new coat that can be plucked off a rack to cover mere promotional activities. It is something indigenous to an institution. It is *a way of life* upon which the success and prestige of the institution will depend.

#### FUNCTIONS OF PUBLIC RELATIONS

Like warfare, like chess, like baseball, public relations works both offensively and defensively. It has a positive function and a negative function. We can find a parallel in the twofold practices of modern medicine. Today the advanced physician is just as much interested in *preventing* as he is in *curing* disease.

In practicing preventive medicine the physician will plan nutritious, balanced diets to build up patients' resistance to disease. He will give immunization shots against typhoid and yellow fever. He will vaccinate against smallpox. He will recommend vitamins and sunbaths to keep people strong and healthy. In much the same way public relations undertakes to keep relations with the public strong and healthy through positive, constructive measures.

The modern physician's function of treating the sick or injured is equally important. He will prescribe medicine or pills to mitigate the effects of disease. He will set bones or apply bandages to mend fractures and sprains. Similarly, an important phase of public relations today includes taking prompt corrective measures to remedy bad situations.

Most public relations programs embody both constructive and corrective phases—constructive in anticipation of problems that will need correction and corrective in applying long-term solutions to problems that have arisen. In the examples to follow both types may be intermingled.

#### CONSTRUCTIVE PUBLIC RELATIONS

There are scores of well-planned and constructive programs of public relations that have been consciously developed by institutions, but two in the world of business are cited as examples.

With its far-flung lines stretching into practically every community in the United States, American Telephone and Telegraph Company has had to guard sharply against the hostile public opinion that so often harasses monopolistic corporations. Theodore N. Vail started out as early as 1885 to win public support for the telephone company. Under his leadership the company systematically improved its equipment and service, reduced its rates as much and as rapidly as possible, and insisted upon the cooperation of all its employees in promoting good will.

Mr. Vail also recognized the importance of good relations with government and early set the policy of working with government rather than fighting the trend toward more and more government regulation. He came out boldly for regulation by state commissions as opposed to Federal agencies. He said that if the company was to continue as a monopoly, it would have to submit to regulation, or competition would be set up against it.

In line with his policy of building up public good will through internal reorganization, a switch was made early from men to girl operators, who, it was found, were less likely to ruffle customers' feelings, and these operators were carefully trained in what to say and how to say it. Linemen were encouraged to seek the friendship of property owners. Installers of equipment were instructed to be considerate of subscribers' floors and walls. Office employees were schooled to be as solicitous of the customers' feelings as they were of the company's interests.

Public relations became a distinct part of the Bell System's operation when President W. S. Gifford set up, even in the smallest operating subdivision, public relations committees that meet once a month to discuss complaints and plan local applications of the current program.

Until 1946 its public relations department was ably headed by Arthur W. Page, who is a vice-president of the company and who acted as adviser for the War Department Bureau of Public Relations during the war. The public relations activities of the Bell System may not be perfect, but they apparently are satisfactory to a large majority of the employees, to the company's

700,000 stockholders, and to the bulk of its customers throughout the nation.

Long-term thinking in public relations paid off when the Bell System faced its first public crisis in the nation-wide telephone strike of 1947. Instead of entering into strike propaganda as many other corporations had done, the parent company insisted that the strike issues must be settled locally since each Bell company was subject to local and state regulations. Having stated its position, the AT&T retired from public participation in the controversy and left the field to its local companies. The strike was finally settled on a local basis, and the parent company emerged from the conflict without the monopoly issue being seriously raised.

#### MARSHALL FIELD & COMPANY

This famous retail department store has become part of the legend of the city of Chicago. Nineteen days after the store had been burnt to the ground in the Chicago fire, it opened for business in the city's old streetcar barns. In nearly a century of operation Marshall Field & Company has ingeniously and constructively followed good public relations practices.

Again it was the farsighted policies of the store's founder, the elder Marshall Field, that were responsible in large part for the development of this 13-story institution in Chicago's Loop. It was Field who coined the slogan, "The customer is always right," and he went to almost fantastic lengths to prove it. He was a pioneer in the idea of assembling specialty shops into a modern department store, where customers could not only buy at reasonable prices but could also expect extras in the way of service and luxury.

In 1879 the company established what is believed to be the first basement store, which today has 82 sections with an independent buying staff to see that goods of dependable quality can be bought at low-budget prices. It was first to install a store restaurant for weary and hungry shoppers, and today it has the largest restaurant in Chicago. It set up a playroom where mothers could "park" their young in charge of trained attendants.

Today customers take for granted the delivery and exchange services, the fancy waiting rooms, the information and checking

services, the dazzling window displays, the free advice from experts, the Gift Court, and the section filled with treasures from all over the world.

The great block-and-a-half store now houses 285 departments with 15,000 helpers and specialists at peak season. A hundred thousand persons shop at Field's daily. The store is a civic show-piece, a social center, and many travelers passing through Chicago make it a habit to stop off and purchase something with a Marshall Field label.

#### SOCIAL PUBLIC RELATIONS

How Indianapolis met a serious problem in human relations with a constructive solution has been told in *The Reader's Digest* and other publications. Cleo Blackburn, a former research associate at Tuskegee Institute, was brought to Indianapolis to provide a plan whereby 65,000 Negroes could live in harmony with some 335,000 whites. For years a cramped and shabby center called Flanner House had served the people living in "the worst Negro slum in America."

Blackburn, the new director of Flanner House, first persuaded the Indianapolis Foundation to appropriate \$4,000 for a survey of the local Negro situation. The results justified construction of a new Flanner House. Blackburn induced the city to buy a block on the edge of the slum for \$25,000 and rent it to them for \$1 a year. On the site was a deserted tile factory, and Blackburn reckoned that the brick in the structure could be salvaged for the new center. For the hand labor required to separate bricks and knock off mortar, Blackburn enlisted some of his own people.

White neighbors joined them in off hours. The Quakers set up a work camp of the American Friends Service Committee. The news spread, and more people volunteered. The new community house, designed by a Negro architect, cost about half the sum anticipated, owing to community cooperation.

Flanner House then launched an educational program to teach rural Negroes, lured from the South by war jobs, how alarm clocks, time clocks, and toilets worked, why doctors had to examine them, and why they had to wash. A day nursery and a toy-lending



library were other innovations. A health center costing \$150,000, paid for by the Federal government and the city, was dedicated in December, 1945. Community gardens were encouraged, and a labor-pool plan developed to build low-cost housing.

In 1941 the Indianapolis Chamber of Commerce picked Cleo Blackburn as the man who had done most for his city that year—perhaps the first time that a Negro had been so honored in an American city. It is true that public relations was not the primary concern of Blackburn, but his penetrating analysis of the problem, his ability to obtain the cooperation of blacks and whites alike, his understanding of what needed to be done, and his success in launching a long-term constructive plan combined to give his performance public relations stature. He was a specialist in public relations without benefit of title.

Illustrations could be cited indefinitely—the public relations programs of General Motors Corporation, General Electric Company, General Foods Corporation, United States Steel Corporation; the labor relations policies of Geo. A. Hormel & Company, The Lincoln Electric Company, and The Falk Corporation in Milwaukee; the community projects that helped returning war veterans get jobs in Connecticut, in Brainerd, Minn., and in Wheeling, W. Va.—all splendid examples of good, constructive public relations.

#### CORRECTIVE PUBLIC RELATIONS

Since most public relations programs are afterthoughts rather than part and parcel of an institution's growth, it is safe to say that the majority of activities today are remedial rather than preventive. Nevertheless the public relations "doctor" is a good man to call in for emergencies. Corrective public relations can be used to prepare defenses against attack, to answer public criticisms, and to offset rumors and false reports. Here are four examples:

After the First World War, E. I. du Pont de Nemours & Company, Inc., in spite of its protests, was branded a "merchant of death" as the result of Congressional and journalistic witch hunts. After the Second World War, du Pont decided to give its own version of what it had done. It reported in a public statement that

munitions making was not its chief business. In 1939 production of military explosives accounted for less than 2 per cent of du Pont's sales. Even at war capacity, when the company produced 20 per cent more explosives than the Allies used in the First World War, military explosives accounted for only 25 per cent of its total production at both company-owned and government-built plants. The rest comprised neoprene, nylon, plastics, paints, cellophane, coated fabrics, insecticides, pigments, heavy industrial chemicals, dyestuffs, rayon, dry-cleaning fluids, motion-picture film, tetraethyl lead, and many other products. The company also pointed out that most of the military production took place in government-owned plants built and operated for the government by du Pont. On this business the company stated that its net profits after taxes amounted to  $\frac{1}{8}$  of 1 per cent of construction costs and for operating services about  $\frac{1}{8}$  of 1 per cent of production costs, and that the total for the entire period averaged about 11 cents per share per year on the company's stock.

Still smarting under the humiliation of government ownership in the First World War, the Association of American Railroads set out in the Second World War to prove to the people that private enterprise could do the job. Positive railroad accomplishments, efforts to serve the public, modernization projects, and the war-angle theme were pounded home in advertisements and publicity so effectively that the issue of government control was never raised. The railroads are no longer lethargic when it comes to corrective public relations.

No group in the country faced stronger public criticism and more discriminatory legislation than the chain stores in the early thirties. The story of the successful referendum fight against the California chain-store tax bill in 1935 will go down in public relations annals. Yet the big public relations job has been accomplished through a planned program of policies and conduct to make the chain store a vital factor in community life. Anti-chain proposals have virtually died out, and the chains today are in an impregnable position in most communities.

In 1943, when it looked as though a serious, world-wide shortage

of wheat and corn might develop, General Foods decided to protect its own interests by buying rye. Later, when the situation in the other grains changed, it abandoned the search for a substitute and sold the rye futures it held. But in 1945 the War Food Administration issued a complaint charging that General Foods and others had cornered the rye market. Columnists, Congress, and some newspapers took the charges to the people. The only solution was a clear, frank, and friendly statement to employees and the press "exposing" the whole situation. The statement did not halt legal proceedings, but it apparently alleviated the worst features of a serious public relations problem.

#### A MIRROR OF CONDUCT

Colonel William P. Nuckols, director of the first course in military public relations for the United States Army Air Forces, used a very effective illustration to demonstrate to officer students how public relations can govern the policies and conduct of an organization. In essence, this was what he said:

Public relations is a mirror that you hold up in front of your organization so that you, your organization, and the public may see what is in that mirror. If the mirror is dirty, cracked, and full of flaws, it will reflect a distorted image of the organization's true character. If the mirror is bright and highly polished, it will reveal the organization as it really is.

Suppose, however, that the organization has a blemish on its face—an individual, or a policy, or a practice that is apt to stir public resentment. A faulty mirror will fail to reveal that blemish, and you, your organization, and the public will not know what is wrong. A good mirror will show up that blemish and direct attention to . . . the necessity for its elimination.

In this chapter the authors have attempted to show what public relations is and what it is not. They have defined public relations as a planned program of policies and conduct, to impress upon the student that an institution's relations with the public are determined by *how it lives* rather than by the mere telling of its story.

We find too that public relations can be applied in two ways—

constructively and correctively—with the inference that the former method is much more effective. There are too many institutions that call on public relations as a last desperate hope to save a situation that should never have arisen in the first place.

There is much more to be said on the subject, but in the next two chapters the authors turn to the other half of the relationship equation, the public—what it is, how it thinks, and what its interests are.

## Chapter 2

# Know Your Publics

---

---

---

Public opinion is a powerful, bold, and unmeasurable party.

MONTAIGNE.

The pressure of public opinion is like the pressure of the atmosphere. You can't see it, but all the same it is sixteen pounds to the square inch.

JAMES RUSSELL LOWELL.

Public sentiment is everything. With public sentiment nothing can fail; without it nothing can succeed.

ABRAHAM LINCOLN.

The number of different publics in a community is theoretically the number of distinct combinations of individuals possible in that community.

PROFESSOR HARWOOD L. CHILDS.

The task of government, and hence of democracy as a form of government, is not to express an imaginary popular will but to effect adjustments among the various special wills and purposes that at any given time are pressing for realization.

JOHN DICKINSON, *American Political Science Review*.

### THE REAL RULER OF AMERICA

The public relations worker is a tiller in the field of public opinion. His aim is to cultivate a favorable public attitude toward his institution or enterprise. Therefore he must know something of the nature of opinion, how it is formed, and how it works.

Public opinion is a sovereign power in a democracy such as ours. American public opinion puts governments in and out of office. It makes and breaks national heroes. It determines the success or failure of public or private institutions dependent on it for sup-

port. What Americans think, and how they feel, about their welfare constitutes public opinion.

Public opinion is not a static force. It is dynamic. It is continually reacting to conditions and events. Like any living organism, it changes. There are superficial opinions, lightly held, that are subject to reversal overnight. There are opinions, deeply rooted, that are not easy to alter.

The power of public opinion in shaping public policy, particularly in a democracy, is recognized by all students of government.

James Bryce wrote:

The excellence of popular government lies not so much in its wisdom as in its strength. . . . Once the principle that the will of the majority, honestly ascertained, has soaked into the mind and formed the habits of a nation, that nation acquires not only stability but immense effective force. It has no need to fear discussion and agitation. It can bend all its resources to the accomplishment of its collective ends.

Thus we might picture public opinion as a stream fed by the tributaries of individual and group opinions until it merges into a mighty river. As it sweeps onward in its course, it may be split at times by strong islands of opposition, diverted by crosscurrents and eddies of opinion, but finally will reach the dam where it will be converted into public power by national or local legislative bodies or by general consent.

In 1933 the movement for repeal of the prohibition amendment reached such proportions that it swept over all islands of "dry" opposition and was converted into public policy. Similarly, the wholesale failure of banks throughout the country during the early years of the depression led to a powerful public demand for new banking legislation that would protect depositors and their savings. The incoming New Deal merely translated the people's will into action.

It is obvious that the public relations practitioner must be an earnest student of the flow of public opinion. He must recognize its power in advancing, retarding, or disposing of causes. He must know what the trends of public opinion are. From the many polls

of public opinion, from election results, from informal soundings here and there, he can determine which way the tide is moving.

If he can key his own program to sound public movements, his chances for success will be immeasurably increased. From an overall viewpoint he should avoid tying up with opportunistic causes that may have caught the public fancy.

#### PUBLIC OR PUBLICS?

To understand public opinion, let us consider first what is meant by the word "public." What constitutes *the* public or a public? We might define *the* public as composed of all persons capable of thought, but under this definition *the* public stretches out to embrace nearly the whole 140 million of us in the United States. Obviously we do not need concurrence among all these people to arrive at a public opinion.

So when we define a public, we merely think of the people gathered together in a particular region or area. We might also think of a public as those people who are bound together by some common interest without relation to where they live. Referring to the chart (page 17), we note that we can break the American public down into national, regional, and local groups. Each of them can constitute a public with strength, with a voice, and with opinions that can influence the conduct of affairs in their areas.

The publics bound together by common interests are legion. Numerous examples of such publics will be found in the chart, but there are many more. There are publics of churchgoers and nonchurchgoers; there are wets and dries; there are homeowners and tenants; there are sportsmen and people interested in more cultural pursuits. Moreover, these publics overlap, and hence an individual may belong to many publics, depending on his or her politics, economic beliefs, religion, vocation, avocation, tastes, membership in various organizations, and so on. Each of these publics is capable of forming a public opinion.

What is opinion? Opinion is defined as an expression of a controversial topic. A public opinion results from the interaction of persons upon one another through communication and discussion,

# THE COMPOSITION OF PUBLICS

## EXAMPLES OF GEOGRAPHICAL GROUPS

<i>National</i>	<i>Regional</i>	<i>Local</i>
All voters	Middle Westerners	Chicagoans
All citizens	New Englanders	San Franciscans
All adults	Texas	Brooklynites
		East Siders

## EXAMPLES OF COMMON-INTEREST GROUPS

<i>Race and Nationality</i>	<i>Sex</i>	<i>Residence</i>
Negroes	Men	Urban
Chinese	Women	Suburban
Poles		Rural
Jews		
Italians		
<i>Age</i>	<i>Income</i>	<i>Class</i>
Children	High	Labor
Youth	Low	White-collar
21 to 40	Below \$2,000	Management
Aged	Middle income	Capitalist
<i>Religion</i>	<i>Professional</i>	<i>Business and Trade</i>
Catholic	Lawyers	Stockholders
Protestant	Doctors	Employees
Jewish	Journalists	Customers
Presbyterian		
Methodist		
<i>Occupational</i>	<i>Economic</i>	<i>Fraternities</i>
Farmers	Consumers	Masons
Salesmen	Manufacturers	Elks
Transportation workers	Distributors	Rotarians
Government employees	Suppliers	Klwanians
<i>Political</i>	<i>Patriotic</i>	<i>Educational</i>
Republicans	American Legion	Parent-Teachers
Democrats	D.A.R.	College graduates
Farmer-Labor		

*Note:* This classification by no means includes all the publics there are. Every organization, every special interest group, if fairly large, will constitute a public.



which may utilize speech, writing, gestures, print, and pictures. These discussions help to form a pattern of thinking for the group or the majority of the group, which we then adjudge a public opinion. That opinion may be active or passive. It may lead to legislation or a definite course of action; on the other hand, it may not.

#### WHICH PUBLICS?

The public relations practitioner will look carefully into this matter of specific publics. Some are far more important to him than others in planning his program. Moreover, he should appeal to each of these publics separately with rifleshoot precision rather than attempt to reach all the people on a national basis with a shotgun spray. Define your target, aim right, and then let your message speed straight and true.

As an illustration, let us view the public relations of the United States Air Force. Which publics in the chart on page 17 will be most important to the future USAF program?

Among geographical publics, the national groups would be of first interest to USAF headquarters in Washington. The various continental commands and air forces will pay more attention probably to regional groups, while the numerous air bases throughout the country will concentrate on local publics.

Among the common-interest publics, the USAF ordinarily will not be interested in racial, economic, or religious publics as such. But in age publics they have a very real stake. For air-force proponents would agree that the future of the USAF rests in the hands of American youth. Therefore, every legitimate means by which the Air Forces can reach youth through schools, through Boy Scout organizations, through Y.M.C.A.'s, and so on, will assure that future.

Of even more immediate interest to the USAF are the so-called "patriotic publics"—the American Legion, the Veterans of Foreign Wars, and the numerous organizations that have sprung up among veterans of the Second World War. There is also the United States Army Reserve Corps, which has enrolled thousands of former USAF officers. Moreover, if all the officers and enlisted men who

were in USAF uniform during the war could be organized into an influential and vocal public throughout America, it would add materially to the effectiveness of USAF public relations.

#### THE POWER OF LABOR

The public relations analyst should know not only what publics he must reach but also the composition and thinking of each of those publics. American organized labor today is conceded to be one of the strongest political and economic publics in the country.

To use another illustration, suppose you are a public relations representative for a large corporation that is facing labor difficulties. You feel that a friendly message to labor may avert a crisis, so you sit down to pen an open letter to labor and to the public. Suppose you begin by extolling the glories of free enterprise and its great contributions to labor. You discuss the profit motive as an incentive to production. You go on to suggest that the workers should be more interested in the prosperity of the company than in the arguments of their union leaders.

What you say may be true and logically reasoned, but the results can be catastrophic. You have not analyzed your public. You are not talking the workingman's language. How do you find out what the laboring man thinks and why he thinks so? The labor press, with a circulation of over 15 million members of organized labor, is read thoroughly and in some cases exclusively. Martin Dodge, public relations counsel in New York, who publishes *DM Digest*, "the gist of the labor, left-wing and group press," says of the labor press:

It talks language they [the readers] understand. Although many labor writers and editors may never have heard of the word "semantics," their vocabulary is tellingly geared to their readership, and except in derision they carefully avoid the front-office phrases that bring jeers, not cheers, in the shop.

The phrases "free enterprise" and "profit motive" simply do not enter into labor-paper columns, unless possibly as terms of opprobrium. The workers might be appealed to on the basis of what the corporation purposes to do about their interests—wages,

hours, housing, health, educational and recreational facilities—as a study of labor papers will reveal. Not that the majority of American workers repudiate the principle of free enterprise; it is just not their primary concern.

#### KNOW YOUR PUBLIC

As a public relations specialist, then, your first responsibility is to know what people are thinking, especially what the people in the certain group you wish to contact are thinking. We might set forth these principles as a guide:

Know your public.

Know *what* it thinks.

Know *why* it thinks so.

Know *how* it arrives at its conclusions.

What a particular public thinks can be determined by formal and informal surveys, questionnaires, opinion polls, and consumer research, or it may be gained by interviews and discussions, by attending meetings or reading member publications.

A great deal of emphasis has been placed on the importance of getting "opinion leadership" behind your program, that is, picking those persons in the community to whom the people look for advice and guidance. There is no question that certain leaders do wield enormous influence over the masses, but it is wrong to believe that the people's will can be manipulated to any desired end through opinion management.

It is interesting to note in this connection a Minnesota poll conducted by the *Minneapolis Sunday Tribune*, which revealed that on the question of price control the leaders—some 625 educators, businessmen, labor leaders, clergymen, editors, professional men, and housewives active in community affairs—were poles apart from the people generally in their opinions. For example, 67 per cent of the leaders thought price controls should be dropped gradually, while only 39 per cent of the general public agreed; and only 28 per cent of the leaders wanted such controls continued for an indefinite period, while 47 per cent of the general public felt this would be wise.

Earl Newsom, New York public relations counsel, lists five

factors that influence formation of opinions, which might be summarized as follows:

1. The *point of view* of the group to which you are appealing. Individuals tend to take sides and identify themselves with groups of people having the same convictions.

2. The situation has become *newsworthy*. It has seized the people's attention.

3. The situation has become *significant* to the people affected.

4. The people *trust the source* of the information. (This again is a phase of opinion leadership.)

5. The situation is *clear*, not confusing.

Mr. Newsom has attempted to classify all the factors that form opinions under these five headings, and there is much in what he says, but the authors believe this subject of *finding out why* people think as they do is important enough to the student of public relations to warrant further analysis.

#### GOVERNORS OF OPINION

The influences that govern our opinions are of such a complex nature that any formal listing of them would leave much to be argued, but we can name a score or more that seem to affect everybody's thinking and have a strong effect on American life. Most authorities agree that a public opinion is merely a collection of individual opinions and that if we can find out how personal opinions are formed, we shall have a good index to group attitudes. The notion that there exists a single group mind, disassociated from individual human beings, has been generally discredited.

It should be pointed out that these factors are the *means* and *media* by which skillful public relations practitioners reach their publics. True, they are also the tools of the artful propagandist. It will depend on how they are used.

The first group of factors might be called the *basic influences* in the formation of opinion—those that come early in our lives and leave definite patterns for our later thinking. First, of course, is home and family. Psychologists tell us that inheritance and early environment—the character of the parent and the home surroundings—cannot help but vitally affect our views. Especially is this

true of religious and moral values. Charles E. Merriam estimates that 75 per cent of the members of our political parties "inherited" their political convictions from their parents. Although the family is gradually losing some of its influence over youth owing to changes in family living, such as apartment dwelling, working mothers, nursery schools, playgrounds, and motion pictures, it still assumes tremendous importance.

Another basic factor is the influence of schools, teachers, and textbooks. This nation always has strongly emphasized education and has poured out its wealth to maintain its children in schools. In no other country have schools contributed more to the average individual's stock of ideas. Teachers in some cases have done more to mold the plastic minds of youth than the parents. Many of today's older generation were reared on the famous McGuffey readers of the last century, and the principles of thrift, honesty, kindness, and self-control that these books taught have become the warp and woof of American morals as well as the fundamentals of our faith in the free enterprise system. Also, the history books of the past have contributed materially to the conviction that America is foremost among all the nations of the world and have given force to the past policy of isolationism.

A third basic factor is the influence of churches, Sunday schools, ministers, priests, and rabbis. The churches, however, have not confined themselves to religious teaching alone. The views of large segments of the American population on war, crime, vice, prohibition, birth control, communism, and many other political and social issues are directly traceable to the stand of various church sects.

#### EXPERIENCE FACTORS

The second group of influences on opinion formation comprises those things we have gained through experience and everyday living. What we have seen with our own eyes and what we have experienced in our contacts with other individuals make a greater impression on us than the mere vicarious experiences of reading or listening. The men who returned from combat service in the war have formed impressions and convictions on many problems

that never will be uprooted. These veterans will exert a powerful influence on American policies and politics in the future, as did veterans after the previous war.

Also, wherever men and women gather to listen or to discuss, to debate or negotiate, opinion will be formed. The convictions of the more vocal members are likely to influence those less sure of themselves or perhaps they will stir the listener to take the opposite view. It is in assemblages of this type that a public opinion often is formed.

We have already spoken of the influence of leaders on our thinking. Almost everyone, the psychologists say, is seeking personal leadership to guide him, largely to bolster up his feelings of insecurity and uncertainty. Hundreds of men and women have followed almost blindly the preachments of such leaders as Franklin D. Roosevelt, Wendell Willkie, Dr. Francis Townsend, John L. Lewis, Father Coughlin, and Mary Baker Eddy.

There is also a wide variety of influences, which might come under the general heading of propaganda (as defined by some authorities) and which would cover popular myths, legends, fallacies, stereotypes, and rumors. Whole groups or communities may be moved emotionally by false or distorted views on various subjects gained by the constant repetition of ideas. Rumors and canards seem to travel with the speed of light. Much of our early American history, like the early history of other nations, is based on legends. Other legends and popular myths surrounding events and persons came out of this war and will persist. There are hundreds of stereotypes that stir great masses of people to high emotional pitch—flags, symbols, banners, and such words as capitalist, communist, mother love, fascist, and America First.

#### THE MEDIA OF COMMUNICATION

The third general group of opinion-influences covers the means by which people gather information, and first in importance probably is the American press. With 50 million copies of daily newspapers distributed every weekday in this country and 38 million on Sunday, with 10 million copies of weeklies and semiweeklies reaching the American public each publication date, it is obvious

that every literate person in America is influenced by what he reads in the newspapers. Newspapers govern opinion in four ways:

1. By giving the news on which readers base their judgments. This is by far the most important opinion-making function of the press.

2. By editorial comment on the news.

3. By printing columns and features, many of which are syndicated.

4. By mirroring the opinions of others through the news and through letters from readers.

The influence of radio on public opinion is beyond accurate measurement. A good example of the power of radio in molding public opinion occurred on Dec. 7, 1941. Announcement of the Japanese attack at Pearl Harbor reached listeners Sunday afternoon when no newspapers were publishing. From the moment of the first flash by radio the entire nation stayed glued to radio sets. Overnight opinion became crystallized, and by Monday morning the nation had made up its mind in favor of declaring war on Japan.

Magazines, professional and trade journals, and house organs often exert more influence on public opinion than the newspapers. Magazines of nation-wide circulation remain in the home longer than newspapers and are more carefully read. Moreover, their articles seem weighted with greater authority. As far as the specialized journals are concerned, they go to specific publics whose chief interests lie in the fields that these publications cover.

Pictures, cartoons, comics—whether they appear in newspapers, magazines, or books—have an elemental appeal to everyone. The news pictures of the infamous concentration camps in Germany had much to do with solidifying opinion behind a "hard peace" for our late enemies. Cartoonists are among our most potent editorialists.

Books and pamphlets often exert strong influence on people's minds. One needs only to recall Harriet Beecher Stowe's "Uncle Tom's Cabin" or Upton Sinclair's "The Jungle" to recognize the power of a book. The Bible, of course, is the outstanding molder of public opinion in the Western world of all time. Tom Paine's

pamphlets stirred the colonials to overthrow the rule of England. How far would the Eighteenth Amendment have progressed without the pamphleteering of the Anti-Saloon League?

The motion pictures are given credit for producing more popular stereotypes in America than any other medium. The influence of motion pictures, whether true to life or not, is tremendous. The use of movies to speed up the training of soldiers and sailors during the war and to advance war causes among the people is a testimonial to their effectiveness.

#### OTHER INFLUENCES

In reckoning the influence of newspapers and magazines one should not discount their advertising columns, which reader surveys prove are widely read. Advertising has been used chiefly by business and industry to sell products and build institutional good will, but of late years labor and government have entered the advertising field.

Direct-mail literature, of course, is another form of advertising and promotion and in many cases is more effective than newspaper and magazine advertising because it reaches the reader directly. There are countless forms of advertising—posters, signs, handbills, etc.—that bear directly or indirectly upon the public mind and help swing people to a point of view.

Lecturers, speakers, and group leaders are among the most effective opinion-governors. As pointed out before, a public opinion frequently is formed as a result of gatherings of people meeting to discuss a common topic. The luncheon and banquet speakers are so ubiquitous in American life that their words reach almost everyone.

Finally, there are special events—the parades, shows, demonstrations, exhibits, tours, open houses, and the like—which are calculated and staged to stir up public enthusiasm. They reach important segments of the public directly and for that reason are extremely effective. They also take advantage of crowd reactions.

Many other influences on public thinking could be noted, such as the American theater and the great plays, which, like great



books, have stirred people to think and act. Perhaps the student will think of other media that can be added to the list. X : 9 N

We have dealt here largely with the tangible factors that go into the formation of opinion. We have not discussed the many psychological influences that not only govern opinion but that often measure its intensity. Ben Trynin, research editor for the American Council on Public Relations, points out that *indifference, ignorance, and superstition, and suggestion and prestige* influence people to *reject belief*. Other powerful motives leading people to *accept belief*, Mr. Trynin says, are *financial gain, vanity partisanship, prejudice, escapism, and the cultural climate* of the times.

In summary of this chapter, it must be reemphasized that a study of public opinion is vital to success in public relations work. It is particularly important for the practitioner to recognize that he is dealing with not one but many publics, each of which constitutes a specific problem and requires special study. The use of the various means and media to communicate with the public will be left for later chapters. We now turn our attention to a point not often enough stressed in the field of public relations—our responsibility to the society in which we work.

## Chapter 3

# The Public Interest

---

---

Public relations . . . is a fundamental attitude of mind, a philosophy of management, which deliberately and with enlightened selfishness places the broad interest of the public first in every decision affecting the operation of the business.

PAUL GARRETT, vice-president, General Motors Corporation.

Public interest, so far as the United States is concerned, is and can only be what the public, what mass opinion, says it is. By mass opinion I mean the collective opinions of the American people as a whole.

PROFESSOR HARWOOD L. CHILDS.

The first thing in this [public relations] program is to have the management of the business write out a statement of policy. This is equivalent to saying to the public: "We should like to serve you, and we offer you the following contract, which we think would be fair to all concerned and mutually profitable."

ARTHUR W. PAGE, vice-president, American Telephone and Telegraph Company.

### THE CONTRACT

There are two parties involved in any public relations operation: (1) the institution or enterprise that seeks to advance its program and (2) the public or publics to which the program is directed. Therefore, there are two interests to be served—the private interest and the public interest.

Mr. Garrett says the broad interest of the public must come first. Mr. Page would go one step further by voluntarily offering the public a contract setting forth the institution's policies. Mr. Page contends:

All business in a democratic country begins with public permission and exists by public approval. If that be true, it follows that business should be cheerfully willing to tell the public what its policies are, what it is doing, and what it hopes to do.

If we accept the thesis that a contract with the public is desirable, three fundamental considerations come to mind:

1. Such a contract should be in writing and published. A generally understood policy has little substance and less force. Even though an oral contract may be binding, only small segments of the public will know about it.

2. The policy the institution intends to follow in its relations with the public must be stated definitely and without equivocation. Moreover, the institution must be prepared to follow through on that policy and not deviate through inattention or neglect.

3. In such a contract it must be clear that the public interest outweighs the private interest and will continue to do so.

One of the most forthright contracts ever offered the public appeared on the editorial page of *The New York Times* on Aug. 19, 1896, over the signature of Adolph S. Ochs, the new publisher. It read in part:

It will be the earnest aim of *The New York Times* to give the news in concise and attractive form, in language that is parliamentary in good society, and give it as early, if not earlier, than it can be learned through any other reliable medium; to give the news impartially without fear or favor, regardless of any party, sect, or interest involved; to make of the columns of *The New York Times* a forum for the consideration of all questions of public importance, and to that end to invite intelligent discussion from all shades of opinion.

Most readers of the *Times* would agree that the terms of Mr. Ochs's contract have been more than fulfilled. Perhaps no institution—certainly none that is in the public eye as continuously—enjoys a better relationship with its customers and the people generally than *The New York Times*.

## WHAT IS THE PUBLIC INTEREST?

The public interest is not easy to define. It is clear from Professor Childs's definition that if public interest is "what mass opinion says it is," the American people concede to no aristocracy the right to determine their interest—whether it be an aristocracy of the government, of the military, of economic powers, of a political party, of a church, a class, or a race. In other words, democracy guarantees public opinion the right to decide what the public interest is. Conversely, an enlightened public opinion is the best insurance of continued democracy.

The public has expressed its views on hundreds of political, economic, and social issues through the ballot box, through public opinion polls, through organized and unorganized movements, and through mere acceptance or rejection of the plans, programs, and products offered. The public's attitude—at least the majority attitude—is no secret on such matters as crime, vice, public education, adulterated foods, democracy, freedom of speech, press, and religion, and the protection of natural resources. The people also have expressed themselves frequently on more transitory problems such as prohibition, trade-union practices, monopoly, political parties, price fixing, wages and hours, and social security measures.

The primary aims of public relations, therefore, are, first, to find out what the public considers is its own best interest and, second, to shape an institution's policies and conduct so that the public's interest will be served.

True, there is a wide area of public matters within the purview of public relations in which the people have given little or no evidence of their feelings. To decide what the public interest is in such cases, the public relations representative must rely on fragmentary analysis or on his own best judgment. The problems of human relations can never be reduced to an exact science—a certain amount of trial and error is inescapable.

## LET THE PEOPLE DECIDE

The power of public opinion was discussed in the previous chapter, and no one will seriously disagree. The rightness of public opinion on any question often has been disputed, however. There is a disturbing assumption in some quarters that the mass mind can be easily molded to fit almost any program because man is "an ignorant, indifferent, opinionated, prejudiced, and wishful-thinking animal," as one writer puts it. There is also the myth that the average American possesses a "thirteen-year-old mentality."

These views have led a few public relations practitioners to believe that by some modern alchemy they have been transformed into manipulators of public opinion, engineers of public consent, and shapers of the nation's destinies. Such a philosophy seems not only inflated but highly dangerous to the future of public relations practice itself.

In his book "Propaganda," published in 1928, Edward L. Bernays, public relations counsel, began with this statement:

*The conscious and intelligent manipulation of the organized habits and opinions of the masses is an important element in democratic society. Those who manipulate this unseen mechanism of society constitute an invisible government that is the true ruling power of our country.*

In view of Mr. Bernays's reputation as a founder of the science of modern public relations, the reader may be forced to assume that such "conscious and intelligent manipulation" of the mass mind is the chief mission of the practitioner. However, Mr. Bernays later offers in his book a much more agreeable concept when he states:

The counsel on public relations, after he has examined all these and other factors, endeavors to shape the actions of his client so that they will gain the interest, the approval, and the acceptance of the public.

Averell Broughton in his book "Careers in Public Relations" also sounds a jarring note, quite apart from the general soundness of his thesis, when he writes:

One of the rather pleasant things about the practice of public relations over a period of time is the understanding that it brings of *how really simple the world is, how childlike people are, and how easily led.*

While the public occasionally pays good money to be fooled, the truth is that Americans are remarkably sense-making people, certainly as intelligent as any people in the world and considerably better informed. Moreover, the people have made up their collective mind in no uncertain fashion when the issues counted. William A. Lydgate, publications editor of the American Institute of Public Opinion, in his book "What Our People Think" makes these observations:

The American people are not only generally right in their thinking about public issues, but they show more common sense than their leaders. . . . When it comes to major public issues, public opinion studies show few instances when the majority of our people were not in favor of doing something long before the legislative or the executive branch of the government got around to doing it. . . . Anyone who studies public opinion and works with it closely is likely to develop great admiration for the common people.

There is a well-known saying, "Never overestimate the people's knowledge nor underestimate their intelligence." That should be a truism for public relations workers. In communicating with the public the guiding principle should be to *inform* public opinion not to *form* it. If the people know, they will make their own decisions in their own interest. That is making democracy work.

#### PROPAGANDA AND PUBLIC RELATIONS

Public relations stems from the art of persuasion, which is as old as man himself. What primitive man could not express in words or gestures, he could implement with a club. The club has even been used to reinforce modern doctrines, as exemplified by the late Nazi party with its Gestapo and storm troopers. The chief

media of persuasion through the ages, however, have been speech and writing. In later years, print, pictures, film, radio, and television have augmented the art.

Any attempt to relate to each other by chart the various forms of persuasion would show propaganda at one extreme end of the chart and public relations at the opposite extreme. The inference is that there is a wide breach between them. Before proceeding further, we must define our terms.

What is propaganda? The word has been much misused and abused. It has been called the ugliest word in the English language. True, historically and by dictionary definition, propaganda is no more evil than a pump handle. It may be employed for sinister, subversive, and fraudulent purposes, or it may serve perfectly decent and laudable aims. Under this definition, propaganda may be for the public good; on the other hand, it may not.

Now there can be no serious quarrel with this concept of propaganda other than, as Max Lerner points out, *its uselessness*. Mr. Lerner, in his book "Ideas for the Ice Age," goes on to say:

If we interpret all efforts to shape our foreign policy as propaganda, how shall we distinguish between a presidential message, an editorial in the *New Republic*, a Coughlin broadcast, a classroom discussion, a speech by Joe McWilliams, a Congressional debate, a column by Westbrook Pegler, a communiqué from the German army staff, a manifesto by the Harvard Defense Group, a broadcast by Elmer Davis, an appeal for relief funds, a photograph of mangled children, and a sermon by Father Curran? Anything that holds them all together must be a clumsy receptacle indeed.

Mr. Lerner sees in propaganda "the intent to manipulate, the irrelevance of validity or sincerity, the concealment of some crucial ingredients of belief." With him many authorities will agree; others will not. In the final analysis it seems reasonable to assume that the vast majority of the American people will go along with Mr. Lerner and label propaganda definitely something "bad."

The public's views of propaganda are associated with the activities of Hitler and Goebbels who twisted the German mind to accept Nazi doctrine; with the methods used by those uni-

formed gangs in America prior to the war—the Nazi Bund, the Silver Shirts, and the Ku Klux Klan.

If the majority do think of propaganda in these terms, then it is better that it be completely disassociated from the practice of public relations. Public relations can never afford to be bracketed in the public mind with movements that seek to manufacture and manipulate popular sentiment toward the attainment of selfish ends.

#### THE USE OF PROPAGANDA

In drawing a distinction between propaganda and public relations the authors realize they may have confused the student. While the very word propaganda has come to be regarded with a certain apprehension, actually many who frown on the term are busily engaging in propaganda every day. Advertising, press-agentry, publicity—all described as tools of public relations—also are media of propaganda. Any effort to convince people or to shape a viewpoint is propaganda.

The truth is that there is good propaganda and bad propaganda. Good propaganda may be described as that which emanates from a definitely identified source with an open and unconcealed purpose. Photographs showing the mangled bodies of children were issued by the United States Army and were perfectly justifiable propaganda since they were issued by an identified source to accomplish an open and obvious purpose—to make the American people realize what kind of an enemy our country was fighting and to make us mad enough to intensify our war efforts.

The opening address of a lawyer when he tells the jury what he intends to prove in the trial to follow is propaganda. The jury knows from what source it emanates and for what purpose it is issued. Presumably it can make up its own mind, accepting what it considers facts from the propaganda and discarding what it considers mere opinion.

By the same rule, then, propaganda which is not identified as such, or which purports to be something different from what it actually is, or which is issued to deceive or mislead the public,



or which knowingly distorts the facts with an intent to change or influence public opinion is definitely *bad* propaganda.

Any propaganda that is devious or whose source is *obscure* is bad propaganda. The public is entitled to know in every instance the *self-interest of the source*. The public can then lay the propaganda alongside of the interest to be served and determine for itself what to accept.

The public relations of the National Electric Light Association in the late twenties and early thirties still smells unpleasantly in the public nostrils. After a thoroughgoing investigation the Federal Trade Commission in 1934 issued a report that constitutes a handbook on propaganda methods. The Commission reached the conclusion that "measured by quantity, extent, and cost, this was probably the greatest peacetime propaganda campaign ever conducted by private interests in the country."

Why did the campaign miscarry? Professor Harwood Childs comments:

In the first place, the association did not approach the public sincerely and directly for the purpose of enlightening it, but by indirection and use of financial pressure sought to control it. In the second place, and by far the most important reason, the industry tried to sell itself before its house was in order. Instead of trying to find out whether public disfavor had any real basis in fact, and seeking, so far as it was possible to do so, to correct abuses where they existed, the propaganda resources of the industry were mobilized to whitewash them.

#### BAD PUBLIC RELATIONS

Business is not the only institution that has suffered in its relationships with other groups. Professor N. S. B. Gras of the Harvard Business School points out in his extremely worth-while monograph "Shifts in Public Relations" that the Jews have never lived long in Christian lands before they developed bad public relations, no matter whether it was their fault or the fault of the Christians. In the Middle Ages the lawyers had bad public relations. In part they were blamed for substituting national or state law for local custom.

Professor Gras says the Church from about 1350 to 1550 had one of its worst public relations periods. The clergy were accused of ignorance, sloth, selfishness, adultery, usury, the acquisition of too much land, and even a lack of Christian faith. They had claimed many privileges and had put themselves above the secular laws and secular punishment. The popular reaction led to the Protestant revolution and a reformation within the Church itself.

The public relations of some political machines—Tammany, "Boss" Hague's, the Pendergasts', "Big Bill" Thompson's—has been notoriously bad at one time or another.

Of late, labor unions have been building "public relations" organizations to carry their story to the public. The attempt to mix their informational and educational activities with propaganda and pressure-group tactics has to a certain extent vitiated their program, however. Certainly John L. Lewis on several occasions has had about the worst public relations in America.

Bad public relations, of course, is not due to propaganda activities alone. Rather it arises from the failure of men and institutions to recognize that the fundamental basis of good public relations lies in wise policies and sound conduct.

#### EXCEPTIONS TO THE RULE

There are times, of course, when propaganda in the good sense can and has served the public interest. How else could we classify such propaganda documents as Paul's Epistle to the Romans; Thomas Paine's "Common Sense" or the founding fathers' Bill of Rights?

Occasionally it is necessary to rise above the ground swells of popular fad and fancy and set forth *truths* even at the risk of public opposition. The men who do this and know when to do it are the real *statesmen* of politics, of business, of religion, and of public relations.

The occasions for a hard and fast stand in the face of public opposition, however, are not so numerous as many political and business leaders like to make them. In many cases these crusades are the result of a messianic complex—the country must be reformed in its thinking; in others, of ignorance of what the public

really thinks on a particular issue. At any rate, business, labor, and government officials alike have erred in this respect.

Before a decision is made to challenge majority opinion, an institution seeking good public relations should weigh carefully the justice of its cause, the merits of its proposals, and the probability of public acceptance of its message. Mr. Garret offers this advice to management:

When the public disapproves a move, very often management will need to modify its own decision out of respect for public opinion. At other times management may know it is right and decide it must proceed. Then it will want to inform the public of the reasons for its action and so hope to attain public acceptance through a better understanding of the decision.

#### WHO ARE THE PROPAGANDISTS?

The popularly accepted interpretation of propaganda as something sinister is believed to have grown out of the First World War. The methods used by the Allied Powers to draw the United States into the war on their side and the operations of the Central Powers to keep America neutral left a residue of resentment. After the war many books and pamphlets were published denouncing war propaganda. The First World War also saw the beginnings of psychological warfare as a weapon, but it was the Second World War that developed it into a potent factor on both the Allied and Axis sides.

Censorship has been called the twin evil of propaganda, and it can be even more dangerous since it empowers individuals or groups to delete or limit the content of any medium of communication. The people of the United States concede that it is in the public interest for government to censor communications in wartime, but after every war the censorship power in America has been among the first to go.

It is clear that if public relations is to attain the stature of a profession, there must be a definite break between public relations and political manipulation. When public relations activities extend to influencing or bribing politicians, the use of telegrams and letters directed to congressmen to build up a false picture of

public sentiment, and the dissemination of distorted and untrue information on public issues, public relations is doomed.

Let it be understood that the authors are not inveighing against the use of propaganda as such by anyone. They sincerely believe that "freedom of propaganda," good or bad, in a democracy such as ours is quite as essential to the maintenance of the American system as free press or free speech. What the authors object to is the practice of calling such activities "public relations" or mixing them with public relations. In fact, the manipulations of pressure groups throughout this broad land have done more to retard the development of good public relations than any other one activity.

#### THE PRESS AGENTS

Among the minor propagandists are the press agents. To the weary, harassed city editors of the nation they often constitute a major problem, so much so that newspapermen generally assume that public relations is merely another name for high-powered press-agentry or publicity. The terms are used synonymously even by some practitioners.

The practices of press agents are not necessarily vicious, but they are compounded of a good deal of "humbug." Press-agentry is associated with the old circus days when the "chiseling" of free space in the newspapers was exchanged for complimentary tickets and a few lines of advertising. It soon developed into a more subtle racket, however—the staging of "phoney" stunts and the planting of fake stories. It was a street traveled by such "impresarios" as P. T. Barnum, Harry Reichenbach, Flo Ziegfeld, Sol Hurok, and others.

Under the magic wand of the clever press agent, a mediocre chorus girl becomes a star, a cheap painting like "September Morn" becomes a work of art or at least a focal point of curiosity, and a tawdry story of illicit love becomes a best seller.

Today there are some who call themselves public relations counsels, who are direct descendants of Barnum and Reichenbach. For example take the Hollywood promotion experts who "plant" photographs of lovely movie actresses wearing Santa Claus suits or Easter-rabbit costumes. These men are press agents pure and

simple. So are the men who get various beach resorts into print by releasing pictures of seductive sirens in revealing poses.

Even press-agentry, however, has achieved a certain place for itself and a standing with the papers. The press agent with a genuine sense of news values—who seeks out the news values in the particular enterprise he is representing and who presents the news to the papers, clearly identifying his own interest in having it published—is often a welcome figure in the city room. It is entirely possible for good news values and good press-agentry to be synonymous. It is only the press-agentry that deceives or is false which is bad.

Advertising, promotion, and publicity are all socially acceptable except when they lapse into the bad features of propaganda and press-agentry. While advertising, promotion, and publicity seek to impress upon the citizen the superior merits of their institution or product, there is a code of truthful advertising to which most reputable firms adhere. During the late war, institutional advertising took on the character of public relations. As pointed out previously, publicity, advertising, and promotion can be important techniques of public relations.

#### THE PLACE OF PUBLICITY

Publicity deserves a little more attention because it may be described as the direct forerunner of public relations. Today it complements public relations. Edward L. Bernays divides the history of publicity into four major periods. The first, 1900 to 1914, was the period of muckraking versus whitewashing. The all-star cast of muckrakers included David Graham Phillips, Lincoln Steffens, Ida Tarbell, Upton Sinclair, and Tom Lawson who turned the glare of publicity on "the curse of bigness" in industry. "Pitiless publicity" became a weapon of government in the days of Theodore Roosevelt.

The second major period was during the First World War, 1914 to 1918, when publicity was used for the first time on a mass scale to sell war aims and ideals. The third major period, 1919 to 1929, was marked by an era of rising price levels, new competition for the consumer's dollar, and a new appreciation of the

consumer's interests. Industry expanded with American Telephone and Telegraph, General Motors, General Electric, and others leading the way. Likewise industry became more social-minded. Foundations and research institutes were endowed. Corporations appointed vice-presidents whose prime duties were to make friends for the company and to interest themselves in public affairs.

The fourth period began in 1929. The stock-market crash, the advent of the New Deal, the awakening realization that the interests of the whole nation were greater than those of any group, all served to emphasize, according to Mr. Bernays, the need for social consciousness and public responsibility.

To continue Mr. Bernays's analysis, written in 1941, it might be said that the fifth period was marked by a return to the First World War methods of selling the public on war issues, but on a much larger pattern. The American people were subjected to one of the most powerful publicity campaigns in the nation's history—the sale of war bonds, which by July, 1945, had raised the huge sum of 206 billion dollars largely from nonbank sources.

This campaign illustrated, as did many of those preceding it, that successful publicity must be built on a sound public relations base. What sold those bonds? The promoters would be the first to deny that it was publicity and advertising alone, although these were powerful factors. Underlying the sale was the confidence of the American people in the war policies of their government, their faith in the efficient conduct of the war, and their understanding of the issues involved.

#### EMERGENCE OF PUBLIC RELATIONS

Professor Gras traces the beginning of business relations, although not known by that name, back to the twelfth century when business was creating a new order of society and expecting help and support from that new order. In the second phase—the eighteenth and nineteenth centuries—business was asking the public to keep its hands off. The third phase carries us from the popular reaction against big business in the nineties until the present day.

In this period Professor Gras sees the change from "the public

be damned" policy to "the public be pleased, but fooled" policy, which he says has continued to the present time with declining emphasis on the "fooled." In fact, he says, business is now playing with a new policy—"the public should be fully served and fully informed, and perhaps partly educated."

What we know as modern public relations began shortly after the turn of the century when Ivy L. Lee became press representative of the anthracite coal operators and of the Pennsylvania Railroad Company. Lee later was so successful in publicizing John D. Rockefeller, Sr., that the oil magnate was "converted" from one of the most censured individuals in America to a benevolent patriarch.

In these years the Iron and Steel Institute was established to disseminate information about the industry, President Vail of the Bell System publicly stated that public interest transcends private; the National Industrial Conference Board was formed, and the National Bank of Commerce began publication of the widely distributed *Commerce Monthly*.

Edward L. Bernays began his career as counsel on public relations to governments, industries, corporations, and trade organizations in 1919 but used the term "publicity direction." Ivy Lee and T. J. Ross started using the title "public relations" shortly thereafter. Since that time, especially in the thirties, public relations counsels sprang up all over the country, and hundreds of corporations as well as government and social agencies installed public relations departments.

#### VIEWS ON PUBLIC RELATIONS

Ideally we might say that *public relations is the union of publicity and social responsibility*, but whether it has reached that stage of development is a moot question.

There are too many practitioners who still hold to the theory that their clients' interests are more important than the public's interest. True, a public relations man has a duty to his client, and public relations cannot be sold to industrial leaders on the basis of altruism alone. Counsel must be able to show that he can improve a client's competitive position, and he must do every-

thing he can to advance his client's interest—but not at the public's expense.

There are other public relations men who cling to the practice of their forebears—the press agent and the publicity expert—contending that public relations is just another way of putting over your ideas. The public is good-natured, in other words, and will take quite a lot in the way of old-fashioned ballyhoo and buncombe.

There are still other specialists who advocate out-and-out propaganda to beat down their clients' adversaries, whether it be the government, labor unions, big business interests, or some other group. Propaganda is a powerful weapon, but again—should it be a part of public relations?

The whole purpose of this chapter has been to stress the rights of the public as a directly interested party in the performance of public relations activities. Without recognition of the public's interest as the foremost consideration, a discussion of public relations as a fundamental way of life in the United States is without point.



## Chapter 4

# Who Does Public Relations?

---

---

Whatever is done in the name of public relations can be no more effective than the philosophy of management that supports it.

*T. W. BRAUN, public relations counsel.*

In the modern corporation the choice of the methods to be used in conducting the business and the responsibility for their effectiveness must always fall squarely upon the shoulders of the executive management.

*CHARLES R. HOOK, president, The American Rolling Mill Company.*

Public relations activities of United States Steel Corporation are considered to be a top management responsibility. . . . Unless the policies of the Corporation are in keeping with the national interest, there is no possible way of securing long-term public support of our economic and social viewpoint.

*J. CARLISLE MACDONALD, assistant to the chairman, United States Steel Corporation.*

### WHERE RESPONSIBILITY RESTS

Public relations begins at the top where policy is made. In business and industry public relations is a responsibility of management. In governmental and social organizations it is a function of administration. In military affairs it stems from command. If public relations is to achieve maximum effectiveness it must be directed by the responsible officials at the head of the institution or enterprise, and they must be conscious of its importance and power.

Policies and conduct, it has been pointed out, are the fundamentals of good public relations. That management in many business firms recognizes this principle is evidenced by the statements

at the beginning of this chapter. Yet there are too many enterprises where public relations activities are performed below the policy-making level. They are delegated to minor employees, whose primary function is to grind out publicity releases.

The chief executive must always be the hub of the public relations wheel. From him must radiate the policies and decisions that will govern the institution's relations with the public.

Until management or administration sees the necessity of bringing public relations into the executive chambers where policy and conduct are determined, there can be no effective program established because, as pointed out in our definition, modern public relations is a planned program of policies and conduct that will build public confidence and increase public understanding. Every major decision made within the enterprise must be judged in the light of its effect on the public or publics concerned. One wrong decision often will outweigh a dozen right ones in the total effect created.

Therefore, public relations activities cannot be delegated to subordinates who have no part in shaping fundamental policies or who are barred from advising management on its relations with the public. This is without doubt the most difficult hurdle to overcome in building public relations into its rightful status. There are still some executives who pride themselves on being tough realists and who shrug off public relations as a lot of pseudo-scientific nonsense, preferring to rely on publicity and advertising as their chief contacts with the public.

#### LEADERSHIP IN PUBLIC RELATIONS

Who are the great public relations figures of our time? In answer to a questionnaire sent out in 1945 by *Tide* magazine to several hundred public relations practitioners and to executives of various companies interested in public relations, the following men emerged as leaders in the field: Paul Garrett, vice-president and director of public relations for General Motors; T. J. Ross, head of Ivy Lee and T. J. Ross Associates, public relations counsel; Eric Johnston, then president of the United States Chamber of Commerce and now czar of the motion-picture industry; Arthur

W. Page, vice-president of the American Telephone and Telegraph Company; Carl Byoir, head of Carl Byoir & Associates, Inc., and Verne Burnett, head of his own public relations firm and author of "You and Your Public."

The appearance of Johnston in this list of practicing specialists raises the question as to what constitutes a public relations leader. Is he the practitioner who works behind the scenes to build a personality or a corporation to high public regard, or is he the true head of the corporation, the government or social agency? *Tide* admitted that Johnston's support may have been enhanced by the fact that the mailing of the questionnaire coincided with his appearance in a prominent role at the Washington labor-management conference; but it pointed out that Johnston's extensive travels, his conciliatory attitude toward labor, and his constructive views on national problems had stamped him as a public relations personality. Moreover, it can be said that the high public relations standing of the United States Chamber of Commerce as reflected in this same survey was in great part due to Johnston's public relations efforts.

Johnston, it will be remembered, took a different tack from the traditional business executive. He made friends with New Dealers and labor leaders as well as industrialists. He hopped around the globe to cement business ties with foreign nations (particularly Russia) and kept a steady stream of articles going to national magazines to report his findings. In his farewell address upon his retirement from the Chamber presidency he called for a decent minimum wage and for profit-sharing as a means of building a new and progressive capitalism.

Johnston is not the only executive who has led his institution to a higher public relations plane without benefit of title. We have already mentioned Theodore Vail of AT&T and the elder Marshall Field as men who learned early to cultivate good public friendships. There was H. J. Heinz who built the "57 varieties" into a national slogan and his company into national success. There is Henry Ford who announced years ago that through mass production he was going to be able to pay a minimum wage of 5 dollars per day. Although Mr. Ford before his retirement did

many things that were not universally popular, that one policy has maintained for him the reputation as one of the two or three best liked industrial leaders in America.

One does not think of the Bank of America without thinking of A. P. Giannini; or of General Motors without Alfred P. Sloan, Jr.; or of war production without Henry J. Kaiser. Myron C. Taylor, Windrop Aldrich, Walter Chrysler, and many others have achieved high public relations status.

#### POLITICIANS OR STATESMEN?

Passing over into the field of politics and government service, we might consider for a moment the public relations standing of such men as Franklin D. Roosevelt, Wendell Willkie, William Allen White, Generals Dwight Eisenhower and Douglas MacArthur, Edward R. Stettinius, and a score of others.

Are these men public relations figures in their own right or are they merely the product of a skillfully directed personal publicity machine? Picking certain men from both groups, we may ask: Do Roosevelt, Willkie, Johnston, and Kaiser, for instance, really typify the statesmen in public affairs who lead public opinion in the right channels, or are they merely political and business opportunists riding the waves of popular sentiment? Some persons would single out a man like Bernard Baruch as more representative of the true public relations figure in American business and politics.

This is a highly academic discussion in which it would be difficult to reach an area of agreement. It is best summed up by Thurman Arnold, former United States assistant attorney general who, in discussing "the ideal public relations man" on a panel sponsored by *Tide*, said:

The ideal public relations man is not dissimilar to the difference between the politician and the statesman . . . in politics. The public relations man should be the very statesman of business. Very often he will be the ward politician, but he should be the statesman.

We have used the word "statesman" before to distinguish the man who stands out above the crowd and speaks the truth without regard to consequences. There is room for such men in the field

of public relations. If public relations merely meant riding the popular tide, then Theodore Bilbo and Huey P. Long might have been ranked as No. 1 public relations figures.

Political skill should not be overlooked, however, as a factor in the success of a public relations program. The politician long ago recognized the value of the personal equation in conducting his affairs. Ralph B. Cooney, advertising executive, writes in *Printers' Ink*:

The men who by virtue of their political office speak for the public gain their position by exposing their views, their personalities, and a considerable portion of their private lives to the spotlight of public attention. When they speak, no one else can be blamed for the response their words arouse. When they act, they do so in the full knowledge that the consequences are theirs to shoulder. Some fail, some succeed. But whatever they do, they do as human beings.

Mr. Cooney declares that business leaders, on the other hand, have cloaked their activities behind a curtain of corporate anonymity. There are certain personal advantages, of course, in doing so. It is a way of maintaining privacy in personal affairs, of escaping public criticism of their acts, and of carrying out their executive functions with the minimum of interference.

Yet such concealment bears its disadvantages, as Mr. Cooney bluntly points out:

leadership. Responsibility cannot be delegated. What the executives at the top do and say, what their policies are, and how they conduct their affairs will be the true measure of the institution's relations with the public. Ideally, then, the conduct of public relations should be vested in the president or active head of the organization.

There is a place for the student and expert in public relations, however. While he may not be in a position of supreme authority, he must sit at the right hand of those who are. His advice, his suggestions, and recommendations must be considered as seriously as those of the responsible heads of other departments in charting the future course of the organization.

Let us list the possible functional steps that a large institution might take in establishing better public relations:

1. It is obvious that the chief executive of the company should take a stand within the organization and make that stand known to the outside, as did President Vail of the American Telephone and Telegraph Company, as well as take an active interest in the daily problems that arise.

2. A qualified executive should be made head of the actual public relations operation. This man should be a part of top management and vested with authority to act. What is more he should have a say in the formulation of policies.

3. An assistant to the president might perform the above functions and act as spokesman for the president, but the danger here is that he would lack authority to deal with other executives.

4. A public relations department should be set up to carry out the policies established and the publicity incident to them.

5. Outside public relations counsel may be employed to advise management, to make recommendations for the extension of public relations, and to assist or complement the public relations department.

6. The public relations department may set up a research division and thus be responsible not only for the execution of policies and procedures but qualified to determine what new policies may be needed.

The vesting of public relations authority in another executive

is particularly advisable in the large corporation, government body, or social institution, for leadership in such cases cannot be bound up in one indispensable man. Even the genius is subject to human failings and some day he may die, leaving his ship without a rudder.

Moreover, one-man rule leads to the subordination of every other individual to personal whim and to the suppression of ideas originating in the understaff. Conformity is encouraged and initiative discouraged. Talented young men and women are held down by older superiors fearful of their jobs. Instead of idea men they become "yes men."

Peter Drucker in his book "The Concept of the Corporation" likens the large corporation to an army; both of them must have equipment, but "equipment is of no avail without the functional organization of human effort." He says that there must be a chain of command leading up to the person in final authority, but each link in that chain must be able to make decisions.

#### THE PUBLIC RELATIONS SPECIALIST

The head of the public relations department must be a responsible executive as well as an expert in the public relations field. His activities should not be limited to drafting publicity releases and setting up advertisements, although these functions may be under his supervision. In building a home one employs an architect to draw up the plans and advise on the details of construction. True, it will be necessary to hire a carpenter, a plumber, and an electrician to do the specific jobs required, but the architect will set the policy. In public relations work today there are too many carpenters, plumbers, and electricians delegated to do an architect's job and too few real architects.

The greatest danger to the future of public relations lies in the fact that the activity is populated with publicity men in the guise of public relations experts. For years newspapermen without a job or with a flair for publicity have been invading this lush field. To them can be added several thousand men returned from service who were connected in some way with military public rela-

tions, and several hundred others who were allied with OWI and other government agencies in the capacity of information specialists during the war.

A medium-sized firm in Los Angeles, says Byron Tefft, public relations coordinator for the *Los Angeles Times*, advertised locally for a public relations man in 1945 and received 650 applications, all from "qualified" public relations men in the area. Los Angeles, next to New York City, is a mecca for press agents and promoters, but to believe that there were 650 persons capable of doing an over all public relations job for a business concern strains credulity.

Mr. Tefft composed a check chart of qualifications for public relations men, which appeared in *Printers' Ink* and is reproduced on pages 52 and 53. The authors would suggest that another section might be added to Mr. Tefft's chart under the heading of "analytical ability," listing such qualifications as knowledge of sampling methods, experience with polling results, and market research, which will be discussed more at length in Chap. 6. From what has been said in this chapter, it is apparent also that the authors would place more weight on section 2 in Mr. Tefft's chart, but that is a matter of opinion. As a matter of interest, each student in public relations might check himself against Mr. Tefft's chart.

#### THE PUBLIC RELATIONS COUNSEL

Is public relations an inside or outside job? Should an institution work entirely through its own personnel, or should it hire public relations counsel? There are views on both sides. Arthur W. Page, head of public relations for the American Telephone and Telegraph Company, is quoted by Averell Broughton in the latter's book "Careers in Public Relations" as follows:

I don't see how you can separate public relations from the specific operation of any business. If a man is going to be public relations spokesman for the shoe business, I believe he has to be a good shoe man before he can even begin to function. Public relations doesn't exist in a vacuum outside a company. It is the product of the best executive brains within the company, functioning in terms of its relations with the public.



Paul Garrett, public relations director for General Motors, expressed a view similar to Mr. Page, but added:

There is a definite place for the *private counsel* in public relations. There are many businesses that find it advantageous to supplement their own public relations viewpoint with the services of an outside counsel in public relations.

T. W. Braun, president of Braun & Company, Los Angeles and New York public relations firm, frankly admits that outside counsel may not always be necessary, but he cites two reasons why such counsel may be desirable.

1. To get a concern *started* on the right track.

2. To give the concern a continuous impartial judgment based on greater security and wider contacts and experience than can be obtained within a company.

The factor of impartial judgment is of major importance. In setting a policy executives are subject to all the failings of human nature—prejudice, tactlessness, selfishness, and downright stubbornness. It is apparent that a man inside the organization—a man whom the managers can fire at will—is likely to be at all times conscious of his limitations in dealing with his superiors. Therefore, he may be inclined to drop a case before it is carried too far, even though he knows he is right.

Outside counsel is a freer agent and if jealous of his reputation will refuse to accept dictation on important matters. No outside counsel wants to be discharged, of course, but usually he will have other clients to compensate for loss of the account.

How counsel should be employed will be dependent, of course, on the requirements of the organization, the nature of its problems, its size and extent, the amount of money available for public relations, the need for survey and analysis, the availability of qualified personnel within the organization to do the job, and similar factors.

One company may hire counsel merely to advise management on broad policies while leaving the actual operating phases in the hands of its own public relations department. Another company

may employ counsel to do the whole job. A third may use counsel as a complementary agency in carrying out public relations activities.

Counsel might be considered in the same light as a consulting lawyer or physician. He may be asked only for advice and recommendations in the case, or he may be called in to try the case or perform the operation. True, he has no power to compel his client to accept his recommendations. He may even be forced to withdraw from the case if the client persists in rejecting his advice and insists on carrying out a policy that the counsel believes contrary to the company's and the public's best interests.

#### COMMON SENSE SOLUTIONS

The chief point in this chapter—the necessity for top executives to recognize their responsibility in public relations, to promulgate policies, and so conduct their affairs as to create a favorable public opinion for their institution—has perhaps been labored, but the authors believe that this principle is of primary importance at this time. The tendency of executives to view public relations either as a lot of nonsense or merely as another name for publicity and promotion can do inestimable harm to the whole cause of public relations and the company as well.

Unfortunately these narrow views of the subject have not been effectively offset by the statements of practitioners in the field. An example of the confused thinking about public relations is the editorial section of the *Public Relations Directory and Yearbook*.

Dr. Ralph D. Casey, director of journalism at the University of Minnesota and an authority in the field of public opinion, reviews the volume in the *Journalism Quarterly* and says in part:

The fifty and odd persons who contribute a mélange of comment on promotional activities are about as diverse as the Canterbury pilgrims. Karl E. Ettinger, editor of the volume under review, has managed to get them all to travel under a single banner—"public relations."

Mr. Ettinger apparently has no clear understanding of functional differences and objectives in the promotional field; certainly no grasp of its nomenclature. He sanctions the use of the term "public relations" for press-agentry tricks that tickle the fancy or whim of the public,

that apply a soporific to Joe and Jane Doaks, or that enlist attitudes on behalf of "causes" from the sale of soap and hair nets to the creation of good will for the Standard Oil Company. . . . It is all very confusing.

Mr. Bernays, Averell Broughton, John W. Darr, and Verne Burnett provide the reader with serious discussion of public relations used in its rightful sense. . . . While the better-known experts argue that the practice of public relations requires conformity to ethical standards, the force of this is destroyed by the inclusion in the book of the essays of less responsible (or franker) practitioners. When private interest conflicts with the public interest, what then?

Equally disturbing is the fact that some practitioners talk a language of "mumbo jumbo" and surround their activities with an aura of mystery, giving the impression that public relations is some form of professional prestidigitation to be worked with curtains and mirrors. While ingenuity is a priceless requisite in conducting successful campaigns, it is not the last word in public relations.

There can be no substitute for frank appraisal, sound analysis, and the application of common-sense solutions to the problems that face an institution in its relations with the public. Such a study must not only meet the current issues but must dig deeper into the fundamental policies and conduct of the institution, in order that relations with the public may be put on a constructive and long-term basis.

### CHECK CHART FOR PUBLIC RELATIONS

Check on the following chart by Tefit the attributes or knowledge you honestly believe you possess through actual work-connected experience of the subjects listed below. If you have not had actual experience but believe you could talk informatively for at least 15 minutes to a recognized specialist in the particular field, also give yourself a check mark.

1. Personal traits
  - Pleasantness
  - Public speaking
  - Good appearance

- Sound judgment
- Objectivity
- Initiative
- 2. Executive ability

- |                                 |                             |
|---------------------------------|-----------------------------|
| Dishonesty                      | Engraving                   |
| Policy formulation              | Photography                 |
| Authority delegation            | Paper                       |
| Campaign planning               | Inks                        |
| Ability to say "no" to the boss | Silk screen                 |
| Sales development               | Binding                     |
| Business administration         | 7. Promotion                |
| 3. Newspaper                    | Promotion copy              |
| Reporterial copy                | Radio relations             |
| Editorial copy                  | Motion pictures             |
| 4. Advertising                  | Direct mail                 |
| Layout                          | Distribution                |
| Ad copy                         | Merchandising               |
| Research                        | 8. Publications             |
| Media                           | Industrial house organ      |
| 5. Publicity                    | Trade magazines             |
| Publicity copy                  | 9. Creative ability         |
| Press relations                 | Industrial design           |
| 6. Graphic arts production      | Art concept                 |
| Intaglio printing               | Displays                    |
| Planographic printing           | Package design              |
| Relief printing                 | Three-dimensional promotion |
| Typography                      | Items                       |

The 43 questions are broken up into nine groups. Group No. 1 counts 5 points if you answered all of the questions, 3 points if you answered two or more, 2 points if you answered one question. Tabulate your score from the chart below.

- No. 1. 5 points for all questions, 3 points for 2 or more, 2 points for 1 or more.  
 No. 2. 10 points for all questions, 5 points for 5 or more, 3 points for 1 or more.  
 No. 3. 20 points for all questions, 10 points for 1  
 No. 4. 15 points for all questions, 10 points for 3 or more, 3 points for 1 or more.  
 No. 5. 10 points for all questions, 5 points for 1  
 No. 6. 15 points for all questions, 10 points for 5 or more, 3 points for 1 or more.  
 No. 7. 10 points for all questions, 5 points for 4 or more, 3 points for 1 or more.  
 No. 8. 5 points for all questions, 3 points for 1  
 No. 9. 10 points for all questions, 5 points for 4 or more, 3 points for 1 or more.

If you got a score of 75 or more, this is your profession. If it is less than 75, check the questions that will give you the greatest score, but which you did not answer. You will probably find that your lack of experience is in the most important fields. Save this chart for future reference.

## Chapter 5

# Public Relations in Action

---

---

Public relations begins with business policy. It follows through the period in which action transforms those policies into results. Policy, action, results—all are part of the preparation of the case before the jury of public opinion. If any one of the three fails to appeal to the human instinct of equity and honor, the case probably is lost before the trial, and the most able public relations man cannot save it.

W. T. HOLLIDAY, president, Standard Oil Company (Ohio).

Public relations is not just a job in a special public relations office or department. It is part of the job of everybody on the railroad from president to office boy and of everything that is done from the determination of executive policy to picking up tickets or tamping ties.

ROBERT S. HENRY, assistant to the president,  
Association of American Railroads.

### THE SPECIALIST AT WORK

The good public relations man has a threefold function. He is an analyst, an adviser, and an advocate. How do these three functions fit into the formulation of a public relations program and the continuing activity in connection with it?

First of all, a good public relations man is an analyst. He will begin his task by analyzing the factors that affect his work, and he will never cease weighing and analyzing as long as he is on the job.

His first point of analysis will be company thought itself. He will determine before undertaking any other activities whether an interest in, and enthusiasm for, public relations is a part of the thinking of the top policy-making executives of the company; whether there is an understanding of the basic fundamentals of

public relations on the part of the company's responsible executives; and furthermore, whether his activities are likely to have the support of the executives who will be instrumental in carrying out whatever public relations policies he may suggest. The public relations practitioner knows that his outside activities on behalf of the company are dependent, to a very large extent, upon the support he receives from within the company, and his first point of analysis will be of executive thought itself.

The second field for analysis will be the policies and the practices of the company or enterprise or institution itself, which may constitute points of strength or weakness in a public relations program. The public relations practitioner will try to discover through study and analysis those company policies and practices that are apt to win support and friends for it among the public and, at the same time, those policies and practices that are apt to irritate, annoy, or alienate friends.

Of almost equal importance with the executive studies and analyses that must be made is the analysis of the opinions of various groups that are important to the company. These groups will include (1) employees, (2) customers, (3) suppliers, (4) competitors, and (5) general public groups of importance such as ministers, teachers, etc.

The opinions of these groups may be obtained through formal polling technique or simply through informal questioning. More and more public relations executives are relying on special public opinion polls conducted by professional polling agencies to obtain and evaluate broad group opinions.

The function of the public relations practitioner as an adviser is one that depends largely upon his ability to merit and retain the respect and support of the top management of the company. Unless top management, with whom he will be dealing, feels that the public relations man's opinion and advice are of importance in the operation of the company, he is the wrong man for the job. However, he must realize that not only must he have the confidence and the ear of the policy-making level of the company, but that he also must merit and retain the support and

respect of all levels of management throughout the company. Public relations, as pointed out by Mr. Henry in the beginning of this chapter, is not a one-man job. With public relations problems arising in every department and in every phase of the company's activities, the executive in charge of public relations knows that he will need enthusiastic backing, understanding, support, and active help at all levels of management.

As an advocate, the public relations executive will continue to sell his program and his policies to the management of the company. He will continue to sell the fundamental soundness of his program to the employees, and most of all he will continue to sell his organization to the public because public relations is a selling function as well as an advisory function. As a sales instrument for use within the company, the public relations executive will frequently draft a specific plan in writing, setting forth objectives to be accomplished and the actions required for fulfillment. This not only will serve as a guide to the executives whose support he will need constantly but will also give direction and coordination to his own activities in carrying out the program.

#### *THE NEED FOR CONTINUING EFFORT*

It should be recognized at once that the setting up and carrying through of such a program cannot be the "sign-off" on further public relations effort. As Mr. Page, former director of American Telephone and Telegraph Company public relations, says:

Even though a company has set up a positive program and has a realistic philosophy about its relations with the public, it must still be prepared to meet new aspects of public opinion that may arise at any minute. It may be questioned by one group for having too much debt, and another for not having enough; by one group for having too many college graduates, and another for not having enough; at one time in our history the public would have censured a company building ahead in a depression, at another for not doing so; sometimes there is a criticism of lack of salesmanship and sometimes of overselling. In other words, the public is a somewhat whimsical master. To keep in tune with it means eternal vigilance in watching its moods.

The public is not the only unpredictable factor in continuing relations. Management and top executives also are given to moods, fits of temperament, stubbornness, and all the other human failings. In fact, public relations practitioners agree that most of their difficulties are encountered when they try to convince management that the public often sees things differently. Management sometimes finds that it is hard to disassociate itself from its chief job of getting certain things done and at times will do them without regard to public considerations.

Here again, the public relations man must make it his business to know what all the actions of management are, as well as what is being done in the various divisions and departments of the institution. The slightest change in policy or practice can snowball into a real public relations problem.

The public relations man must not only keep himself advised; he must continually be on hand to meet current company action or actions that are being planned, with accurate facts and judgments on the probable public reaction.

If the specialist is to do all these things, it is obvious that he must sit in on the councils of management when all questions in which the public or any publics are concerned—and there are few questions in which they are not concerned.

An order to speed up production in an industrial plant involves relations with unions, workers, and suppliers, among others. A temporary shutdown of operations will affect the same publics, as well as the plant community at large. In a retail store a rule to limit exchanges and refunds will immediately disturb relationships with all the regular and potential customers of the store. Even minor decisions, such as interdepartmental changes, may lead to serious public repercussions if not properly explained to the personnel involved.

#### ITS PLACE IN THE CABINET

Suppose that a large industrial firm contemplates a change in policy with a view to increasing production, making economics, or boosting sales. The question is laid before the heads of all



departments, and the majority is overwhelmingly for the change. The public relations man, however, is quite certain that the policy, if adopted, will stir up public resentment in some quarters, and he explains why. The other department heads may be able to show that the policy is necessary even at the risk of public opposition.

Executives in business, government, and social agencies are often required to carry through a policy in the face of certain public resistance. In such instances the public relations man must bow to the majority judgment, but he still has a function to perform. He can then lay plans to prepare the publics concerned for the impending change in policy through a careful campaign of information and education, which may to some extent soften the blow and remove a real public relations threat.

Thus the public relations specialist takes his place in the higher councils of industry or government as an integral part of all discussions relating to policies and practices. Millard Fought contributes a pungent statement in his article in *Tide*:

Eventually, it is to be hoped, the profession of business public relations will mature to the point where its practitioners will both merit and be given the cabinet status on executives' staffs they must have to deliver the sort of guidance and public relations that contemporary enterprise so badly needs—but hasn't got. But as long as the best substitute that any given company has to offer is a publicity man who is kept in the back office, like an old fire extinguisher, until trouble starts—and who then is called out to squirt a few innocuous but well-sounding statements around where something smolders—we won't get much industrial or business statesmanship. In reality we are beyond the period for debating what industrial statesmanship is; it is time to practice some industrial statesmanship.

#### SETTING UP AN ORGANIZATION

There is no formula for building a public relations organization; it is a matter for each individual enterprise and for each management group to determine after careful study. Public relations activities must be tailored to fit the needs of the institution itself; they cannot be cut from a ready-made pattern. A smaller

institution can, of course, work out its public relations program and set up machinery to keep it in motion without a public relations department as such. In most cases, however, it is advisable to put a key official in the job with a staff adequate to handle the necessary activities.

In setting up the public relations organization the first question to be considered is the scope of the department. Should public relations embrace labor or employee relations, advertising, promotion, publicity, customer research, sales, etc.? In a small firm all these functions might conceivably be combined under one head, but in a large-scale enterprise their amalgamation could easily make for unwieldy administration and a diffusion of responsibility.

While relations with employees or workers constitute a branch of public relations—often the most important branch—the problems connected with collective bargaining, negotiation of contracts, day-by-day contacts with employees, and other matters are of such a technical nature that they require special attention. In most companies, therefore, the industrial or employee relations department is a separate unit. However, the preparation of letters and reports to employees and the publication of house organs and special literature for them are usually functions of the public relations department. Therefore, there is close coordination between the industrial and public relations departments.

The same separation of functions but the same coordination of activities is usually to be found between the public relations department on the one hand and the advertising and sales departments on the other. The reason for the divorcement of public relations from advertising and sales is that the former seeks to build public good will for the institution as a whole, while the latter are concerned mainly with selling products.

#### HOW DEPARTMENTS FUNCTION

There is no better illustration of how a public relations organization works than that furnished by the largest industrial corporation in the world—General Motors.

The public relations policy group of the parent corporation meets monthly to formulate basic policy. Staff functions of the department are carried out by section heads and are coordinated through the public relations planning committee.

In the vast General Motors organization with its many divisions and branches throughout the country the public relations operation must be closely coordinated. In his study, Mr. Garrett outlines the program of the corporation planned to build postwar relationships with the public, as follows:

1. Greater decentralization within GM of the public relations function. This has been accomplished by delegating fuller responsibility to the 32 divisions of General Motors scattered throughout the country.

2. Closer liaison between the corporation and the divisions to implement and coordinate public relations work. The country is divided into 11 regions, each with its own resident public relations regional manager. Then there are plant city committees composed of the men in top management positions in 36 plant cities of General Motors. Finally, there are the General Motors clubs composed of divisional field representatives in 39 cities and of field and dealer personnel in 1,777 smaller cities.

3. Organized effort to identify, or separate out for management consideration, the public relationship aspects of all operational problems.

4. Interpretation of management policies to the public.

5. Study of public attitude trends.

#### EMPLOYEES AND PUBLIC RELATIONS

There is one point that will be emphasized again and again throughout this book because it constitutes a fundamental principle without which no public relations program could succeed. Every employee, every member, every officer of an institution, in whatever capacity, must be looked upon as a public relations representative of the concern. What he does and what he says in his personal or business relations with people inside or outside the institution's walls will be a mark for or against the concern's public relations. It is curious how one dissatisfied member or

employee of an enterprise can by his deeds and words do irreparable damage to the total impression that the concern wishes to leave on the public, and if these actions are multiplied by a thousand complainers, the result can be disastrous.

Scores of corporations have utilized training programs for their employees to improve their manner of meeting the public in the ordinary operations of the business, but few have recognized the importance of inculcating a deep-seated loyalty and understanding of the institution among employees, which will be reflected in all their contacts with other people, private as well as public. Such loyalty cannot be drilled into personnel by training programs and a flood of propaganda; it must be inspired by the conduct of the corporation itself. If the corporation has good employee relations because it has the confidence of employees, the battle is half won.

The employee loyalty achieved by the American Telephone and Telegraph Company has already been mentioned. Part of this may be attributable to the wide employee ownership of stock in the company, but in large part it stems from the policy expressed in the 1929 report of the Company:

While the Bell System seeks to furnish the public the best possible services at the least cost, the policy that recognizes this obligation to the public recognizes equally its responsibilities to its employees. It is and has been the aim to pay salaries and wages in all respects adequate and just and to make sure that individual merit is discovered and recognized.

Public relations must be considered a cooperative undertaking in which every individual associated with the institution has a part to play. Not only should individuals be impressed with the necessity of so conducting themselves as to reflect credit upon the institution; they should also be thoroughly aware of what public relations means to the welfare of the institution and themselves. Moreover, they should be stimulated to make suggestions and recommendations that will improve relationships. It is only through the democratic exchange of information and ideas that public relations can reach maximum effectiveness.

## THE SPECIALIST'S PERSONAL RELATIONS

X: 8 N

Having placed the public relations man in a high cabinet position and set up his working organization, let us look at the man himself—not only at what he does but at how he does it. It is clear that a person who is going to represent an institution in its public relations ordinarily will be careful about his personal relations—with executives and directors, with department heads, with his subordinates, with workers, with press and radio representatives, with civic leaders, and all the people he will contact in his work.

Public relations activity begins by making friends, and friendships once established must be maintained. Enemies are costly liabilities in public relations.

H J

It all boils down to the one problem of better human relations—how to get along with people. There have been numerous books and articles on the subject, which might be summed up in a series of questions to ask yourself:

55497

Do you take yourself too seriously? A sense of humor is a healing salve in any tense situation.

Do you genuinely like people and like to meet people?

Are you a good listener as well as a talker? Listening will pay dividends in public relations.

How many of the men in your organization do you know by name? By nickname?

Do you play favorites?

Do you follow through on what you promise?

Are you sincere?

Can you talk in terms of the other man's interest?

Do you give credit where credit is due?

Have you a smile in your telephone voice?

Are you eager to fulfill the requests of the other fellow—promptly?

This last point is perhaps as important as any. Since the success of your office depends in large measure on how much help you can get from other people, be prompt in answering their requests. A good rule is that when the other fellow asks for something, follow through on it as soon as possible. If there is to be a delay,

let him know you have received his request and are working on it; call him again to report progress; call him a third time to tell him you have the information and are sending it along; and finally call him to see if he has received it, if it was what he wanted, and if there is anything else you can do. The same procedure can be followed in letters or telegrams.

These are simple and obvious rules, but they sometimes add up to the difference between success and failure of your program.

#### RELATIONS WITH EXECUTIVES

As adviser and consultant to management, the public relations man must, of course, have ready access to the offices of high executives. Although he may participate in council meetings where broad policies are discussed, there are problems arising constantly in connection with public relations that will require individual conferences with executives.

The public relations man in a sense is a "trouble shooter" in every situation or incident that seems to call for correction. Housing or transportation difficulties for workers may have created a problem; unfavorable working conditions such as poor sanitation may disturb workers on the job; a local newspaper may dig up a story that reflects unfairly on the enterprise; an ugly rumor about the company may have gained currency; a particular business transaction has stirred public suspicion—there are a hundred and one things that can arise to plague an institution's relationships. Moreover, there are more constructive matters that will require frequent consultations with executives—the issuance of the annual report to stockholders, employees, and the public; the handling of statements, speeches, and public appearances by executives; the staging of public events; the conducting of surveys; necessary changes in program or techniques, and so on.

*Dun's Review*, publication of Dun & Bradstreet, Inc., recently printed an advertisement on "The Care and Feeding of Presidents," which offers good advice to public relations men as well as other department heads:

For success in dealing with presidents observe these rules:

1. Go to presidents *with* decisions, not for decisions.
2. Go to presidents with *fundamentals*, not with details.
3. Be *clear, concise, complete, convincing*.
4. Be *prepared*.
5. Be *brief*!

Explaining that presidents think and plan far ahead, that they welcome ideas that make for better employee and public relations, that their thoughts range the entire field of business, the advertisement concludes:

Presidents embrace ideas and make their decisions on the basis of experience, judgment, departmental recommendations; and sometimes, by intuition, hunch, tossing a coin, or for purely personal or emotional reasons—ignoring the persuasion of science or facts—seldom enough to prove that they usually are wise and often enough to show that they are human.

The facts are that public relations men sometimes have more trouble in making corporation executives understand the viewpoints of their employees and the public than in making the public understand the policies and practices of the corporation.

#### OVER-ALL RELATIONS

Since every department of an organization must be imbued with its public relations responsibilities, it goes without saying that the public relations director must take an interest in and work with the heads of every other activity—production, personnel, sales, service, finance, engineering, research, planning, legal, traffic, etc.

In a business organization his closest relationships, probably, will be maintained with the advertising and sales departments on the one hand, and with the industrial or employee relations department on the other, if these functions are not already under his supervision. Most corporations recognize that the promotional aspects of public relations go hand in hand with advertising and sales, but find it advisable to keep public relations divorced from the purely commercial operations. Similarly, the employees and

workers are one of public relations most important publics, but the business of negotiating with employees and union organizations and dealing with employee grievances and problems is an activity apart from the general public relations job.

The points to be made here are that public relations involves planning on a large scale, that the specialist is an executive in his own right, and that he must have an organization adequate to deal with all the problems that confront an institution in its relations with people. Just what type of organization he should have and just how he should operate it, of course, will depend on the type of institution he represents, the publics and individuals he must deal with, and the peculiar conditions he must face.

It also becomes clear from this chapter that public relations is involved in every activity of an organization and that every major decision made must be judged in the light of the effect on public opinion. Public relations is not necessarily the exclusive function of a little coterie working behind a frosted-glass door with the title "Public Relations Department" painted on it. It is the personal job of everyone connected with the institution. However, there must be at least one person in authority who can guide and direct those relations into fruitful channels.



## Chapter 6

# Getting the Facts

---

---

---

ing—its policies, its practices, its organization, its personnel, its products, and its contacts with all publics. As Kenneth Collins, former *New York Times* executive and former manager and publicity director of R. H. Macy & Company, Inc., said in an address to retailers:

You can't start publicizing some nebulous thing that you yourself don't quite understand. You may be a little startled at your own analysis if you are completely honest when you make it. You may find that your store really isn't an institution. For an institution is, by definition, an organization that does something so well that the community sets it in a class by itself.

The procedure followed by the public relations man in appraising his institution may be quite informal. If the institution is new to him, he will read up on it from what literature is available—booklets, pamphlets, articles, and clippings. He will certainly get acquainted with and interview all the key figures within the organization and learn as much about policies, practices, and operations as possible.

*His second step (or perhaps his first) will be a survey of public attitudes, convictions, beliefs, and prejudices toward the institution. This may be accomplished in part by informal interviews with leading citizens outside the organization—the mayor, the aldermen, bankers, industrialists, educators, ministers, etc.—and with the owners, editors, and managers of various media such as the newspapers and radio stations.*

A more reliable method, however, will be to conduct a formal survey based on tested procedures for sampling public opinion. This may be done by the specialist himself with his own personnel, but there are several advantages in employing outside polling or research agencies for this work. The outside agency is likely to be more impartial and less influenced by executives within the company; it is less likely to be viewed with suspicion by the persons questioned; it will have more experience in preparing questionnaires and setting up polling machinery and will have the trained personnel to conduct the poll and compile the results. The survey may test attitudes of the general public, or it

may be confined to specific publics such as customers, employees, school children, etc.

The third step, of course, is the actual analysis of the facts gathered through the examination and survey. This means sitting down and taking stock of the public relations assets and liabilities of the institution as revealed therein and attempting to work out a correlation between what the people think of it and what they should think.

One point to reemphasize is that the facts must be accurately gathered and honestly appraised. The naïve executive who said: "I want a survey to prove that . . ." was only voicing out loud what many managers and directors often think in utilizing fact-finding machinery. When the executive merely wants statistics to support a preconceived notion, it is time to go back a step and educate the executive. Fact finding must be approached with high objectivity; otherwise, it is a waste of time and money.

#### THE EVOLUTION OF SAMPLING

The formal public opinion survey through sampling is coming into wide usage in public relations. Sampling is by no means an exact science, but it comes much closer to the facts than the old "hunch" method used by early public relations necromancers. Sampling is not a new device. It has been used for years to test products, viz: a few handfuls of grain from a bin will measure the quality of the whole; examination of three or four boxes of fruit picked at random from a shipment will grade all boxes. Teatasters, coffee tasters, liquor tasters and others use sampling methods.

Probably the earliest sampling of public opinion was taken in 1824 when the *Harrisburg Pennsylvanian* interviewed citizens of Wilmington, Del., on their intended presidential vote. From then on the random straw ballot grew in popularity among various journals and worked with reasonable accuracy until the *Literary Digest* failed so miserably to forecast the 1936 election correctly.

The *Digest* fiasco did not disprove the theory of sampling but rather the method by which the sampling was done. Although the magazine sent out as many as 20 million ballots to voters all over

the United States and got back as many as 3 million responses, the poll failed on three counts.

1. The uncanny accuracy claimed for the poll in previous elections proved somewhat legendary. Broken down by states the poll showed glaring inaccuracies, and it was only through the cancellation of opposite errors throughout the country that the poll came anywhere near the right result.

2. The *Digest's* mailing lists covered chiefly the upper income strata of the voting population—telephone subscribers, automobile owners, etc. What the *Digest* found out in 1936 was that Mr. Landon was the choice of the higher-income groups.

3. A large share of the responses received were from those who wished to register a protest, and the most persistent protest came from those who wished to see Mr. Roosevelt defeated.

While the laws of mathematical probability operate successfully in testing materials of a homogeneous nature, it is quite clear that the factors that go into the formation of opinion (some of which were discussed in Chap. 2) are widely variable. It was necessary, therefore, to classify opinions further by trying to break down the nation's population into more homogeneous groups.

#### THE NEW "POLLSTERS"

In this new so-called "scientific method" of measuring opinion, the population has been separated into various strata, according to the latest census figures—such as age, sex, income, place of residence, previous vote, occupation, etc.—on the theory that opinions from each of these categories will be based on similar viewpoints.

This was a long step toward the refinement of sampling, but it must be recognized by the student that such stratification, even where great care is exercised in setting up the categories for each question, can be subject to error. Samples of 3,000 persons throughout the nation today are considered adequate to indicate nation-wide sentiment on an issue. In most cases the results are valid, but much depends on the reliability of the organization conducting the survey and its polling staff, the proper framing

of the question, the timing of the questionnaire, and so on. Moreover, there is always a margin of 2 to 4 per cent probable error in the best sample, and this can mean the difference between victory and defeat on issues where sentiment is about equally divided.

The controversy over the reliability of polls has raged through the halls of Congress and among political and business leaders for more than a decade despite the reasonable successes of the leading "pollsters" in predicting the election results of recent presidential campaigns. A vigorous criticism of public-opinion polls was registered recently by Edward L. Bernays, public relations counsel. In an article in *Public Opinion Quarterly*, Mr. Bernays said:

Like vitamins and so many other good things, attitude polls have been adopted by America with its customary unthinking enthusiasm for new things. Polls are an enormously useful implement when honestly, efficiently, and intelligently gathered and understood. On the other hand, they are potentially dangerous weapons in the hands of the unwise, the inept, the dishonest, or the antisocial.

Mr. Bernays proposed as a solution that licenses should be required for the practice of polling, and, secondly, that educational activities, aimed at the public and their leaders, should be carried on to acquaint them with the significance of polls.

The study of polling is fascinating, and every student of public relations should become as well informed on the subject as possible. But, as previously pointed out, the business of polling is a highly organized technique and can be handled better in most cases by a reliable polling agency. There is little doubt that pollsters have improved their practices considerably by better sampling methods, by more careful preparation of questions, by the use of interviews instead of mail questionnaires and other techniques. They also have gained recognition of their profession in the new 1936 edition of the "Encyclopaedia Britannica," from which a part of this historical material is drawn.

## DEVELOPMENTS IN POLLING

The magazine *Fortune* came forth with the first cross-section poll of the voting population in July, 1935, which was conducted by Elmo Roper, and in October, Dr. George Gallup, director of the American Institute of Public Opinion, released his first public opinion surveys to newspapers. The fact that the Gallup, Roper, and Crossley polling agencies all correctly forecast the election result in 1936, in contrast to the *Literary Digest*, gave the new "pollsters" a good reputation from the start.

Today there are scores of agencies conducting polls and surveys of various types for newspapers and magazines, for industry, for government agencies, and for other institutions. Besides the three already mentioned as conducting nation-wide polls, there is the National Opinion Research Center (University of Denver) supported by the Marshall Field Foundation, and affiliated with it, the American Leadership Panel (Radnor, Pa.). Other well-known organizations are Dr. Claude Robinson's Opinion Research Corporation, already mentioned, and the Psychological Corporation.

In addition, five local or state-wide polls are operating in Iowa, Minnesota, Texas, Philadelphia, and Washington, D.C. There are several running regularly or spasmodically in other areas, and still more are probably on the way. Then there are variations of the regular poll such as the *Woman's Home Companion* panel and *Fortune's* Forum of Executive Opinion. A novel plan called "mass observation," founded in 1937, depends largely on diary records kept by a panel of observers who note down what has been said in their hearings on topics of national interest. They observe also what people read and listen to. Questionnaire surveys are combined with other surveying methods to acquire a total picture.

In Washington there is the Government Information Service, which works for other government agencies and the public and which operates a unique research outfit that serves as a combination clipping bureau, polling, radio listening, and information

center. The clipping service is described as highly useful; the Bureau of Labor Statistics depends on it to know what strikes are going on or impending, and congressmen get a good cross-section of national opinion from it.

The press analysis poll was originated by Harold Lasswell, former associate professor of political science at the University of Chicago, and samples public opinion indirectly by discovering what people read and listen to. Martin Dodge & Company, New York public relations counseling firm, publishes the *DM Digest* every two weeks, summarizing the opinions of the labor, left-wing and group press.

To all these organizations must be added the radio analysis agencies that test program popularity by measuring the size of the listening audience through telephone polls or other means. In fact, there are more than 150 research organizations of various types engaged in polling and market studies listed in the *Public Relations Directory and Yearbook*, and the field is growing.

#### GETTING THE PUBLIC'S VIEWS

Just how can survey results be applied to the problem of public relations? Dr. Robinson, Opinion Research Corporation, believes that when management sets out to solve an industrial or public relations problem, it has three basic questions to answer:

1. What do our customers, employees, stockholders, dealers, and the general public think of our company?
2. What should we do, or what are others doing about it?
3. How do our publics react to our changes in policy?

Through his Public Opinion Index for Industry, Dr. Robinson has given corporation subscribers the answers to the first question, and recently the Index was expanded to cover answers to the last two questions through an almost simultaneous survey system.

Types of information sought by Opinion Research Corporation from the public have been: (1) What do people like and dislike about big business? (2) How do big companies get bad reputations? (3) Does the public believe in unions? (4) What do small businessmen think of big business? (5) What do workers think

is a fair profit for the company to retain? (6) How much has union propaganda influenced white-collar workers?

A good case study is offered in the surveys conducted by the corporation—one immediately prior to Pearl Harbor and the other two years later—for the Association of American Railroads. In the summer of 1941, 43 per cent of the whole public felt that the railroads were doing a good job in connection with national defense. In the summer of 1943, 85 per cent thought the railroads were doing a good job in the war.

In 1941, 68 per cent of the people felt that railroads were the most essential of all forms of transportation in wartime; in 1943, the railroad percentage was up to 90. In 1941, 50 per cent felt that the government ought to operate the railroads in wartime. In 1943, this figure was down to 18 per cent.

In addition to these and other specific findings of the survey, Carlton J. Corliss, manager of the public section of the association, said in 1944 that there is evidence of better public understanding and appreciation of railroads, of what they do, and what they mean to people than has been enjoyed in many decades. What was responsible for the change in public sentiment? Mr. Corliss answers: 55-497

Of course, no one would claim that this is due entirely to the public relations program, either of the Association or the combined program of the Association and the individual railroads. It could not have come about had the railroads failed to do so well the great task imposed upon them. On the other hand, doing the task alone would not have produced the public understanding and confidence that has resulted, without the steps that have been taken by the Association and by the railroads to inform the people generally as to the nature of the railroad job and how it is being done.

#### PUBLIC LACKS INFORMATION

Surveys often reveal great gaps in the public's knowledge of an industry, pointing up the necessity of new public relations approaches. In findings on the steel industry, published by *Iron Age*, 62 per cent of those interviewed could not name a single prominent individual in the industry today. Thirteen per cent



recalled Andrew Carnegie, 5 per cent named Charles Schwab, and 4 per cent Henry Kaiser, the first two of whom are dead and the third a newcomer to the industry. Only one out of 50 named Eugene Grace, chairman of the board of Bethlehem Steel. In view of steel's appeals for public support in the strike-threat dilemma, it was interesting to note that a third of the respondents thought steel companies made more out of the war than they should; an equal number said steel profits had been reasonable, while the others had no opinion.

In another survey conducted by the Opinion Research Corporation it was discovered that few people apparently understood the elaborate financial statements that business concerns so carefully prepare for the public. Moreover the findings disclosed that the public has the wrong impression of the amount of profit business firms make.

A good part of the public does not understand the language of business reports (earned surplus, reserve for contingencies, accrued taxes, etc.), although these terms have been sanctioned by long usage.

Despite certified audits, legal safeguards, and the regulations of the securities exchanges, a substantial percentage of the public distrusts business's financial statements.

The public was asked: Do you think most companies tell the truth about their profits, or do you think they actually make more than they say they do. Less than half the respondents (41 per cent) said that most companies tell the truth about their profits. But almost half (45 per cent) said most companies actually make more than they report.

Commenting on the findings, *Tide* said:

Good public relations practice can help correct these misconceptions and suspicions, but the main problem is more fundamental. For the PR experts can't do very much if, for example, the accounting department fails to find a way to translate the figures of business into terms and symbols so simple and clear that they are actually convincing.

#### TESTING EMPLOYEE ATTITUDES

A survey of opinion toward an organization should begin within the organization, for employees constitute probably the

most important public with which modern industry, as well as many other institutions, has to deal. True, responsibility for day-by-day relations with employees ordinarily is vested in the office of personnel management or the department of labor relations, but what workers think and particularly what they say about their organization inside and outside the plant may raise a serious public relations problem.

There are a number of agencies that concentrate on employee polls. Charles C. Stech, a psychologist, is said to have originated the method of finding out what the worker thinks by providing ballot boxes where he can drop in his answer to a simple questionnaire, unsigned.

An interesting ballot was devised recently by Bengé Associates, a management counseling organization specializing in job-evaluation and employee-aptitude studies. According to *Tide*, workers receive a casual-looking questionnaire titled "nominations for talent." Among other things the ballot asks: "If you were to form a social club at the plant, whom would you nominate as president?" and "If every person in the company were to enlist in the army as a private, which one would probably become the highest ranking officer?" Replies, obviously, sometimes shock top officials, but they often reveal capacity for leadership in unsuspected quarters, besides indicating how bosses all the way down the line succeed in inspiring confidence and respect.

Employers frequently employ a paternalistic attitude toward their employees, furnishing them with every sort of convenience to make them happy, yet failing miserably to recognize what their people really want. Verne Burnett, public relations counsel, comments:

*Understanding your employees is almost as important as knowing your own family. Many employers spend more waking hours in the company of their employees than they do at home. While the relationship during working hours primarily is of a business nature, employers and employees are so thoroughly human that the personal element cannot be overlooked for a moment.*

Worker surveys, of course, may be handled by an institution's own personnel, but care must be exercised so that the worker is

not put in an awkward position in trying to be frank. Everything depends on *getting the facts* rather than *what you may want to hear*. For that reason, the advisability of employing an independent agency to do the work should be considered.

#### GETTING ACQUAINTED WITH THE CONSUMER

Market research is another form of analysis applied specifically to customers—their needs and their views. While the results obtained from such research will often be a sound guide to company policies, the prime objective is to test the effectiveness of sales promotion and advertising. The public relations chief will be interested only incidentally.

Emerson Foote, president of Foote, Cone & Belding, advertising agency, says in *Printers' Ink*:

*According to the best estimates obtainable, American industry now spends more than half a billion dollars a year on research having to do with the making of goods—chemical, metallurgical, engineering, and all other forms of product research. On the other hand, I doubt if one could trace more than a grand total, nationally, of 10 million dollars a year spent on marketing research. . . . It would seem there is a rough ratio of 50 to 1 of product research as against marketing research—and who is to say which field is potentially the most rewarding to American business?*

As an example of the importance of field research, Charles S. Wilkinson, research head of Charles L. Rumrill & Company, Rochester, N.Y., in an article in *Printers' Ink* cites the problems of the manufacturers of bulldozers, tractors, rollers, scrapers, cranes, power shovels, and other earth-moving machinery in 1912. With their output restricted to lend-lease and the armed forces, they had nothing to sell their regular peacetime customers. Some carried on institutional advertising; others reluctantly stopped advertising and discouraged inquiries.

A field-research program based on talks with contractors and highway engineers revealed that difficulty was being experienced in keeping machinery in operation. Breakdowns became frequent, and valuable working time was lost. Contractors had never be-

fore had to worry about maintenance; a tractor out of commission for repairs had been easily replaced.

Manufacturers saw the light. Makers of wire rope published booklets on how to make the rope last longer, how to keep sheaves trued up, how to lubricate, how to prevent kinks and snarls. Tractor manufacturers and others got out instruction books on how to keep their machines in operation and make pumps and motors last longer. This informative literature was advertised heavily, and hundreds of thousands of booklets were printed. The good will gained, Mr. Wilkinson said, can never be measured, and he added, "The trouble with advertising is that too much of it is based on opinions and on the wrong set of opinions—the advertiser's not the customer's."

High up in the list of successful research organizations is the customer-research department of General Motors, headed by Henry G. Weaver. Each year prior to the war this department got in touch with approximately 3 million motorists, seeking their views on various features of design, construction, and styling in automobiles. GM did not expect the public to actually design the future cars, but it felt that the company could do a better job of serving the public if it knew what the public's ideas were, right or wrong. The responses revealed among other things that advertisers are often wrong in presuming to select those features of a product that they think will have consumer appeal.

#### SUMMING IT UP

Throughout this chapter the emphasis has been on the importance of finding out before plans are laid and actions taken, and this was never truer than in the field of public relations. Since the practitioner is forced to rely on his own best judgment in so many cases, it is better that his judgment be backed by the best facts obtainable. Scientific polling of publics by experts has increased immeasurably the practitioner's knowledge of the materials with which he is working and has enabled him to see further ahead in his job. When a program "jams," it is 10 to 1 that some important fact was missing. Analysis based on fact finding is the key log which can break the jam.

Just as public relations is a continuing process, the business of opinion research should be carried on with periodic checkups. Mr. Burnett cites the need of regular "pulse taking," pointing out that in 1943 only about 30 per cent of adult Americans had any conception of the meaning of *free enterprise*. On the strength of this, one advertising director recommended to his management that free enterprise should not be featured in the policy advertising of the company. In 1944 a new survey showed that there had been a great increase in public awareness, a majority of respondents indicating a fair knowledge of the term. Therefore, the advertising director reversed his recommendation of the year before. Similarly, when opinion surveys pointed out the public's dislike of boastful war advertising, it was quickly eliminated by many firms.

The problem of cost in conducting surveys, of course, is a major item to smaller firms. Again it can be pointed out that an informal survey among leaders of opinion in the community often will yield a fairly accurate estimate of what the community thinks and should be taken in any case as a means of supplementing the more formal studies. In addition there is a wealth of material available through associations, through surveys conducted by publishers of various journals, and through public opinion polls that are summed up in *Public Opinion Quarterly*.

It is even possible that the services of the market-research department can be utilized in conducting public relations surveys if it is staffed by experienced personnel. General Motors and other large corporations have used questionnaires with good results, and a well-prepared questionnaire often produces valuable information of a general nature. Whatever means is employed to get the information, the fact remains that such information is necessary to ensure maximum results. A public relations man starting out from scratch is helpless without a background on his institution, its policies, its practices, and its standing with the various publics to which it owes its success.

## Chapter 7

# Planning the Program

---

---

Public relations begins in the planning stage and is successful to the extent that strategy is wisely—and smartly—conceived. Actually there is little difference between our job and that of the manufacturer. We first have to research and develop a good product, package it attractively, and then reach the market. Good ideas that don't reach people through planned distribution might as well not have been incubated.

JAMES P. SELVAGE, public relations counsellor.

Presently, every business—the small retailer as well as the large manufacturer—must learn how to interpret more convincingly to its own public the social as well as the economic benefits of its policies and accomplishments.

JAMES H. MCGRAW, JR., president, McGraw-Hill Publishing Company, Inc.

### HANDICAPS IN PLANNING

Through the development of scientific means for analyzing the facts about an organization, the stage has been set for an operation that is sorely needed in public relations—long-term planning. When the authors set forth the concept earlier in the book that public relations is a planned program of policies and conduct, they were stating a definition in theory rather than practice. For the truth is that in many public relations activities today there is little evidence of planning at all. This may be due to several factors.

First, good public relations is the result of too many intangibles. Public attitudes are hard to measure; shifts in public sentiment are unpredictable, and the means for reaching the public are diverse and difficult to test. Any formal plan is subject to so

much revision, therefore, that it seems hardly worth while to labor through the pain and effort required to give it birth.

Secondly, the idea still persists among many practitioners that public relations is essentially a job of publicity and promotion, and they take advantage of whatever comes up to keep the institution they represent in the public eye. A publicity program can *fan interest for a while*, but *permanent good will* cannot be bought with column inches in the newspapers.

In the third place, there is the tendency to view public relations as a short-term instead of a long-term operation, to apply corrective rather than preventive measures, to stop the leaks instead of repairing the roof. There is more fact than fiction in the cartoon that depicts the distraught executive calling on his subordinates to go out and purchase him \$100,000 worth of public relations. To repeat, good public relations cannot be purchased in a package; it can only be acquired through farsighted policies and long-term planning.

Finally, the people handling public relations are just too busy with the day-by-day problems of their operation to sit down and prepare a plan. They are so engrossed in doing their job that they have little time for long-range thinking. Yet in public relations, as in almost everything else, a moment's thought may save an hour of toil.

These obstacles to long-term planning are very real but not insurmountable. What is needed is a methodology for setting up a plan and the will to draft it and carry it through.

#### PREPARING A PLAN

Planning is not something entirely new in public relations. When Henry Ford consistently raised the pay of his workers over the existing wage levels in industry; when Theodore Vail set out to make his telephone employees conscious of their responsibilities to the public; when Marshall Field initiated the policy that the customer is always right; these were planned programs in public relations although at the time they were merely considered good management policies.

Today a public relations counseling firm is taking over an

account will draft a plan to cover at least one year's operation. In describing its public relations service for clients, the Fred Eldean Organization of New York states that "it examines the entire broad field of public relations objectively and scientifically. It classifies problems and issues. It catalogues pertinent case histories. It analyzes the elements that contribute to the development of principles that may be adapted for practical use in varying types of operations." On the basis of these findings the firm then drafts a program that covers everything from fundamental policies down to press conferences and organization of committees.

Long-term planning in public relations is just as essential as charting production, sales, costs, and profits for the year ahead, and quite as practical. At this point the authors would like to suggest a method for drafting a long-term program, which may be applied to any organization, large or small, although it might have to be modified in certain particulars.

#### PRELIMINARY STEPS

For illustration let us take a medium-sized concern that manufactures electrical equipment and try to devise a hypothetical public relations program for the coming year. Where shall we start?

Obviously the first step consists of study and analysis of the strengths and weaknesses of the company from the standpoint of its relations with its various publics. This initial examination will include a listing of the principal publics and a study of the history, organization, company policies and practices, personnel and public contacts. The examiner will look for points of interest to these publics as well as points of irritation or misunderstanding that may affect the execution of a public relations program.

He will give his most careful attention to the attitude toward, and understanding of, the basic principles of public relations by the policy-making executives of the company, and from this examination he may decide that an internal job of educating company personnel must precede any public program. The experienced director of public relations knows that without the proper atmosphere, which grows from an internal enthusiasm for public rela-



tions within the company, it is next to useless to attempt any program of public information or education.

This initial study and examination is probably the most important of all steps that must be taken in planning the long-range program as it discloses not only the public relations strengths of the enterprise but, what is even more important, the weaknesses as well.

The second step in a planning program, closely related to the first, is the determination of the public attitude toward the concern through surveys and interviews. This is the step that identifies the target, so to speak, and guides the steps that will be taken in carrying out the program. From this step comes the yardstick that can measure the usefulness of all the many possible steps to be taken in implementing a public relations program. Facts so gathered enable the director of public relations to determine whether any contemplated action contributes substantially to the objective or not. It is quite possible to engage in many interesting activities of a public relations nature but contribute nothing at all toward the solution of a basic problem.

The third step, growing logically out of the second, is the analysis of the facts gathered, and this step calls probably for more skill and intelligence than any of the other steps. Proper evaluation of the information gathered is the difference between success and failure of many programs.

#### DEFINING THE PROBLEMS

What does the analysis show? Internally, the company was founded on a sound basis and has continued to grow. It has capable executives. It stands behind its products. Its policies are conservative but vigorous. This conservatism is particularly apparent in its relations with employees. The management believes in a "no-coddling" policy and has entered into wage agreements reluctantly. A recent survey among employees indicates some dissatisfaction with present practices, but there is no imminent danger of a strike.

Relations with the plant communities were strained during the

war as a result of a large influx of workers into the small cities, where facilities to take care of them were at a premium. The company was engaged in important war contracts and expanded its operations enormously. After the war it quickly reconverted, throwing a large number of employees, many of them permanent residents of the communities, out of work. While reemployment has proceeded rapidly, there is a feeling that the company was somewhat ruthless in its policy.

Like all equipment concerns the company has had difficulty in returning to full production since the end of the war. Materials have not been available. The public is demanding household appliances but buys from whichever company gets its products on the market first. True, sales are not going to be a problem for the next few months. The company can market everything it can produce. What it must prepare for are the possible thin years that may follow after production has caught up with demand.

This, in brief, is the sort of estimate that will be made of the situation. Now what are the chief problems? They might be listed as follows:

1. To create a greater consciousness of public relations among the executives of the company.
2. To liberalize policies toward employees.
3. To rebuild relations with citizens of the plant communities.
4. To attain wider distribution of its products through friendlier relations with suppliers and distributors.

#### STATING THE OBJECTIVES

After a thorough study has been made of the situation and the problems have been defined, the next section of the program should outline the principal long-term objectives that the public relations effort is to achieve. We are not thinking here of merely correcting the faults that have been exposed but rather of constructing goals that will prevent such faults from reappearing. Such a plan might be broken down into national and local objectives, since this concern has nation-wide distribution of its products. The outline would be somewhat as follows:

## 84 PUBLIC RELATIONS IN MANAGEMENT

### NATIONAL OBJECTIVES

1. To make the nation more aware of the availability of electrical equipment.
2. To be a leader in educational progress through scholarships and endowments.
3. To promote research and development in the electrical field.
4. To win public recognition of the company as a national institution on a level with its larger competitors.
5. To make the trade name on its products identifiable with quality.
6. To be recognized as a fair and honest competitor.
7. To avoid difficulties with the Federal government and its agencies, and to avoid involvement in political or legal controversies.
8. To maintain friendly relations with national labor organizations involved in its operations.

### LOCAL OBJECTIVES

1. To take a more active part in community affairs.
2. To win recognition as an institution in the communities.
3. To make local plants attractive.
4. To improve housing, working, and recreational facilities for employees.
5. To broaden employee education, insurance, and safety programs.
6. To promote friendly relations with local governments, local industries, local civic groups, and local labor organizations.

To carry out such a program in one year would be a large order for any company, but there is no reason why these objectives could not be realized in large part over a period of years. This is what is meant by long-range planning. It will be noted that a number of these objectives might also be counted as industrial relations and merchandising goals, illustrating again how these three activities are tied together.

## SUCCEEDING STEPS IN THE PROGRAM

The next section in the program should consist of an examination of the *fundamental policies* of the organization to determine how they fit the objectives. Where policies have continually come into conflict with prevailing public opinion, they should be withdrawn or at least modified to rid them of the most objectionable elements. Without the right policies—policies that conform in so far as possible to public thinking—any long-range program is encumbered from the start.

The third section will provide means for *implementing these policies*. For example, a campaign of information and education might be initiated, directed at all key personnel to make certain that the new and amended policies will be properly understood and executed. The details of this campaign should be set forth in the program. The public relations department, of course, will figure heavily in an activity of this kind, as well as in the later dissemination of information to the public outside of the organization.

A fourth section might be devoted to *supporting themes* for each of the objectives stated, as a preliminary to the detailed plan for use of techniques and media. To illustrate how these themes might be drafted into this hypothetical program, let us take the second objective: *To be a leader in educational progress through scholarships and endowments*. We might list the following supporting projects:

1. Make a survey of colleges and universities to determine those worthy of consideration for scholarships or endowments, particularly in the field of *electrical engineering*.
2. Interest distributors, dealers, company representatives, and employees in recommending students for scholarships.
3. Prepare booklets and literature for distribution in the schools.
4. Work with educators in preparing manuals of instruction, training aids, mock-ups, models, etc.

## EXECUTING THE PROGRAM

Now we are ready for our fifth section—the detailed outline of the *actual techniques and media* that will be used in furthering the program. Obviously, it will be impossible to plan every news release, every radio program, and every advertisement for the coming year, but the broad purposes can be sketched in under each media. Merely as an illustration again, let us try to emphasize our objectives through a few of these media.

*Press.* Release a story for the national wire services setting forth the establishment of the scholarship fund, the rules governing the awards, the course of training involved, etc. (in support of National Objective No. 2).

*Radio.* Institute a network program from the company's laboratories featuring interviews with scientists (in support of National Objectives 1, 2, 3, and 4).

*Advertising.* Plan a magazine advertising campaign to center interest on the trade name as a mark of quality (Objective 5, and possibly 8 and 9).

*Special Events.* Stage a tour through the plants for national press, magazine, and radio representatives (Objectives 1, 2, 3, and 4).

Similar ideas can be developed for magazines, trade journals, house organs, news photos, newsreels, exhibits, displays, and all the other means and media for communication with the public. A sixth section might be added—a *calendar of events* for the coming year, including holidays, anniversaries, and other occasions, which may be used effectively in publicity tie-ups.

For a large corporation a detailed program of this kind might well run to several hundred pages of typewritten copy. But no matter what the size of an organization a program of some kind should be drawn up. It may be a very formal affair to be considered by the top executives and the board of directors, or it may be a few notes for the use of the public relations director alone. In any event it is there to serve as a guide for future operations and provide definite targets at which all public relations activities can aim.

## BUSINESS TURNS TO PLANNING

The most outstanding example of planning in business has been the work of the Committee for Economic Development, conceived in 1940 by Paul G. Hoffman, president of The Studebaker Corporation, and incorporated in September, 1942. While its purposes have been to maintain a high level of employment in the postwar period and to level out the exaggerated peaks and valleys in the nation's economy, the results attained have contributed enormously to the good public relations that business has continued to enjoy since the war.

In its drive to avoid postwar unemployment, the CED set up a field development division to contact as many as possible of the nation's 2 million employers. The purpose was to stimulate re-conversion and peacetime production on a plant-by-plant, community-by-community basis. By February, 1945, there were some 2,900 local CED committees in as many communities. More than 70,000 businessmen served as volunteer members. They literally blanketed the nation with handbooks, manuals, and slide films created for the CED by experts in marketing, sales training, bank credit, foreign trade, and the like.

At the same time a searching study was made of important national policies of government, business, agriculture, and labor that would seriously affect postwar production and employment. As a result of its work the CED told President Truman in September, 1945, that the nation would have 57 million employed within a year and that there would be no prolonged period of serious unemployment. The Census Bureau later showed that the CED's prediction was astonishingly close.

The work of the CED is proof that research, study, and analysis are the prime ingredients of planning, whether it be for maintaining employment levels or improving public relations. One of CED's first steps in organization was to set up a Research and Policy Committee of businessmen, who were to work regularly with a Research Advisory Board, and a small, paid research staff.

Emphasis is placed on this phase of planning because so many

business organizations rely on *doers* rather than *thinkers* in their public relations work. While research staffs are common to such departments as production, engineering, design, sales, and advertising, the public relations department is usually staffed with people whose chief job is to produce copy. While there is no denying the need for practical publicity workers, in any corporation planning requires thinkers as well as doers.

#### GENERAL MOTORS' PLANNING

Paul Garrett, vice-president and director of public relations for General Motors, speaking at a dinner meeting of the Third National Public Relations Conference late in 1945, is quoted as saying:

During the war GM and divisional contributions have been "headline" news. But GM will not always be a war production "hero." If we are to achieve similar acceptance by a public grown more critical with peace, we must "anticipate" many serious problems that loom ahead.

Mr. Garrett listed some of these problems for which postwar planning was required, such as the annual wage, seasonal unemployment, foremen unionization, government relations, technological displacement, pricing, and so on. Each of them, he said, demands consideration from a public relations viewpoint as well as from an engineering, manufacturing, or distribution aspect. But probably the most significant statement in support of planning made by the speaker was the following:

The place to begin in building a good reputation for GM or a division is at the *policy stage* of any operation. The further back the public relationship "aspects" of any situation can be "sensed" and appropriate action taken, the better it is so far as GM or divisional public relationships are concerned.

#### THE CASE OF HENRY FORD II

The Ford Motor Company is developing a public relations program designed to regain its leadership in the automotive field. While the company has always been publicity-conscious, it tried to follow a policy in the troubled thirties, according to George W.

Parker in *Editor & Publisher*, "of releasing only those stories that it wanted to reach print—the favorable stories."

The late Edsel Ford made an attempt to win back the public's confidence by establishing the Ford News Bureau, but it was not until Henry Ford II became president of the company that a full public relations program was launched.

A friendly but realistic attitude was developed toward labor. Ford has tried to make his employees feel that they have a stake in the company through a series of personal letters accompanied by questionnaires to determine worker reactions.

Then the firm of Earl Newsom & Company of New York was retained as public relations counsel. Recognizing the magic of the Ford name and the place that the late Henry Ford held in the hearts of the millions who at one time or another owned a Ford car, the firm directed its campaign toward perpetuating the Ford legend through the new president of the company.

Henry Ford II has measured up. He delivered an important address before the Commonwealth Club of San Francisco, followed by other well-handled appearances. He took striking action in solving the threatened UAW strike in the Ford plants in 1946. Although the company was paying the highest wages in the industry, Henry Ford II obligated himself to pay out 39 million dollars more, yet, according to the company's own figures, it was already losing \$500 on every car it made.

Early in 1947, in the face of recent price boosts in autos, the new president ordered a reduction in the price of Fords ranging from \$15 to \$50. While these acts were essentially forward steps in management, they set the base for the new public relations program. Every one of them was calculated to revive public interest in the Ford Company and its new president. While later developments and further wage increases forced the company to restore these price cuts, the move nevertheless was a daring step in the direction of good public relations.

#### GIANT IN THE RETAIL FIELD

In 60 years progressive planning has built a small mail-order business into a formidable retail operation, which now employs



80,000 persons in 10 mail-order houses and 601 retail stores scattered throughout the country. In 1945 Sears, Roebuck and Company sold over a billion dollars' worth of merchandise across its retail counters alone.

Sears's success in the retail field, however, is of no more significance than its great contributions to social progress. Starting with the many philanthropies of the late Julius Rosenwald, Sears's executives established the Agricultural Foundation in 1923 with the pledged purpose of "aid to farmers and cooperation with all recognized agencies—governmental, semiofficial, and private—that worked toward that end."

In the early thirties the many bureaus that contributed to the foundation, as well as many other social groups within the organization, were combined and organized into a public relations department. The precepts under which the department was established are worth quoting in part:

For the epochal privileges of doing business and accumulating the means of better living in a country like America, there must be corresponding and compensatory obligations to the country and to the people who are the real authors of those privileges . . . that those who accept opportunities in a democracy are obliged to pass them on to others . . . that these acknowledged responsibilities define the real essence of corporate citizenship.

Today this department exercises supervisory and advisory authority over all public relations in the company's retail and mail-order operations. Broadly speaking, its activities include employee publications, consumer education, community building projects and community civic projects, agricultural activities, and publicity.

The real essence of its program-planning, however, can be better illustrated by examining one phase of it, which has been called the "cow-hen-hog program." The story of this program with the unbeautiful name has been told by Miss Beverly Brooks, a student at Swarthmore College in 1943, as a part of her thesis in economics.

## THE "COW-HEN-HOG PROGRAM"

The South had long been ridden by the bugbear of the agricultural economy—the one-crop system. Sears had a deep interest in the South as one of its first mail-order strongholds and later as an excellent retail market. Although the United States Department of Agriculture had crusaded for crop diversification through lectures and literature, Sears recognized that the chief problems were inertia and lack of funds.

The company decided to introduce diversification among the one-crop cotton farmers "not by exhortation, but rather with mooing, grunting, and cackling animals planted where they would do the most good." The company provided for transportation of the livestock through its own facilities but left the distribution, the running of contests, lectures, and advice to constituted agricultural authorities—Federal, state, and local.

The "cow-hen-hog program" was introduced with an essay contest for youngsters in the area, sponsored by Sears, but run by the county agricultural agent. The 10 winners from each county received a pure-bred registered gilt. The youngsters raised the pig, and when of age it was bred by Sears to a registered Hampshire boar. When the piglets became of age, one was turned back to Sears by each boy to be used for the following contest, thus perpetuating the scheme.

The next year a second contest was held among the winners of the first, this time to see which youngster could show the best cared-for pig. He won a pure-bred registered heifer, while runners-up were awarded flocks of registered chickens. This amazing scheme brought to the South, up to 1942, some 692 additional cows, 2,645,000 hogs, and 13,650,000 hens, all pure bred of registered stock, and of late years sheep and turkeys have been added.

Miss Brooks comments:

Sears is connected with the whole affair in a behind-the-scenes sort of way. The bred stock is bought by Sears and presented by Sears. Sears provides the space and prizes and refreshments for all contests and shows. Sears gives a banquet for winners and parents of winners after each contest and show. Sears provides lectures from colleges and

universities on the care and feeding of the animals in the youngsters' charge.

As another part of the agricultural program, Sears awarded scholarships to needy farm boys, amounting to \$300 a year as outright gifts. Started in 1936 with 25 scholarships for each college chosen, the plan spread so rapidly that Sears agricultural scholarships soon were available for colleges in all 48 states, Alaska, and Puerto Rico. Sears became the largest single donor of college scholarships in America, and one of the least publicized, according to Miss Brooks.

#### **OIL TELLS ITS STORY**

Fearing increased government regulation or even worse—nationalization—the oil industry launched a new program in 1917 designed to modify public attitudes toward the oil business; that it is a monopoly; that prices are fixed collusively; that new developments are held back; that it is not much interested in oil conservation.

A public relations operating committee of the American Petroleum Institute was organized, and the first result of its work was an elaborate 22-page brochure entitled "Winning More Friends for Your Business." The program is based on a revealing survey of public opinion toward the oil industry.

Among favorable findings were: 82 per cent of the people think the oil business tries to serve the best interests of the public; 79 per cent think gasoline prices are reasonable. Unfavorable findings: 25 per cent think product improvements are held back; 33 per cent think oil is a monopoly; 57 per cent think oil companies get together on prices. But the most striking result of the survey was that people who know the oil industry best are the ones who think most highly of it.

Ordinarily one does not associate public relations with the motion-picture industry, which goes in heavily for press-agency, promotion, and publicity. Therefore, it was interesting to come across a 15-page public relations program put out by Warner Bros. Pictures, Inc., in 1946.

Setting forth the policy "that entertainment and public service are natural concomitants and that a balanced entertainment program must provide more than escape from reality," the company recounts its efforts before World War II to forge films into weapons of democracy through such releases as "Confessions of a Nazi Spy" and many short subjects, and its efforts after the war to fight for idealism and unity of purpose among individuals and nations.

#### THE NEED FOR PLANNING

The point of this chapter is not to laud the public relations work of any company but rather to show how long-range planning in the field of human relationships can go far in building up a reservoir of good will that is hard to drain. For the authors believe that public relations will never reach full effectiveness until it stops applying more palliative measures and gets down to root causes of problems that are plaguing business as well as many other institutions.

The responsibility for planning rests with management, not with public relations directors or hired counsel. Planning must be based on *good policies* and *good conduct*, words that have been repeated endlessly, even at the risk of tiring the reader. Yet they are fundamentals that many concerns still do not understand.

True, the preparation of a long-term program is an arduous job, particularly when dealing with a thing as intangible as public opinion, but it is just as necessary to success in business as an engineering, financial, or construction program. Moreover we are slowly beginning to recognize that publicity, promotion, advertising, and selling—important as they are—are merely end products in the chain of public relations. As Mr. Garrett says, the remedy lies much farther back.

## Chapter 8

# The Problems of Business

---

---

Anybody who does business with the public is in a public business and subject to regulation by the public in many ways—by a great variety of laws from those to do with incorporation or partnerships to fair trade practices and blue sky legislation; by various forms of public supervision; by the public's giving or withholding patronage; and by praise or blame from political leaders, radio commentators, and the press. The public lays down the rules for its service, partially in laws and partially in public opinion, which at any time may be made into law.

ARTHUR W. PAGE, vice-president, American Telephone and Telegraph Company.

The great problem is to find a middle ground in which the initiative and drive of private enterprise can be preserved, while at the same time the abuses of power on the part of strongly entrenched groups—whether industrial, agricultural or labor—can be prevented.

HAROLD G. MORTON, president, The Brookings Institution.

The biggest immediate problem that confronts the managers of American industry today is to enlist the loyal and wholehearted cooperation of its workers. Such cooperation is industry's missing ingredient.

CHESTER W. RUTH, advertising director, Republic Steel Corporation.

### WHAT BUSINESS FACES

It is becoming increasingly apparent that the growth and general health of the free enterprise system will depend on the good relations that American business and industry maintain with the many publics in our society. There is satisfactory evidence that an overwhelming majority of the American people believe in the free enterprise system as an economic pattern for the nation. Only a devastating war or complete national bankruptcy would make them surrender this belief.

Likewise, there is no evidence that the country is ready to turn to socialism or any other collectivist ideology as a way out of political and economic difficulties. The war did not change American thought appreciably in this respect. In fact, the splendid achievements of business and industry in turning out war materials, despite economic regulations and restrictions introduced by government, probably reinforced the people's convictions in their traditional economic system.

Yet business cannot assume that the general public's attitude will always remain favorable, nor that action by minority groups does not constitute a threat to the whole business structure. Business must make its policies and conduct conform as much as possible to the prevailing American views and keep the public constantly and adequately informed of its purposes and plans. Only in these ways can business strengthen its public relations.

Moreover, there must be a genuine regard for the public interest. Ralph Starr Butler, vice-president of General Foods Corporation, has voiced this warning:

*Business in a very real sense is on trial in this country. Individual businesses, and business in general, do not always or entirely enjoy the confidence of the public. There is too frequent suspicion of the essential contribution of private industry to the general welfare. We all know this to be the case. . . . It is definitely our job, and the job of all business, to recognize that there is dissatisfaction and unrest and suspicion and ignorance with and about business, and to do everything possible to remove the causes and to substitute confidence in the business structure that has built America. Here lies the basic job of public relations.*

Businessmen have long recognized that their mission is to please the public in all their dealings, but there has been a tendency among a few to fool the public, according to Professor N. S. B. Gras of Harvard in his monograph on *Shifts in Public Relations*. He writes:

I do not mean that there was any consciousness of fooling the public, just a feeling that the public would be given certain benefits and some information and that they would then think that they were

getting all that was coming to them. That policy, in varying degree, prevails today. . . .

Large concerns have championed information and amusement in many fields and have done much to educate the public along many lines other than business. Every quarter-hour we learn the time of day by this or that watch. About as often this or that company brings the world's news or the day's sports. In the morning and afternoon there are continued stories for morose females and in the evening hair-raisers for children. At night there are also comics of low humor and a few journalists of bad disposition. Truly, business is trying to please the public; but let me repeat: it is failing the public in not doing what it should—educate the public to facts of business that voters must know in order to act wisely.

### THREE IMPORTANT PUBLICS

Beyond its relations with the public generally the three most important problems confronting industrial enterprises, which have the most direct influence upon their public relations, are: relations with government, relations with labor unions, and relations with employees as exemplified in personnel policies.

The subjects are far too complex to discuss here in detail. Books have been written exclusively on each, and the answers to all the questions that these relationships involve still are not obvious. For the public relations student, however, it is necessary to do little more than point out at this time some of the dangers that maladjustments in these relationships present to the public relations program.

It is not the intent in this chapter to enter into the disputes between business and government, or business and the labor unions, or business and its own employees. Our purpose here is to examine the effect of these disputes upon the general public standing of the corporation or movement we might represent and to learn how to avoid some of the mistakes that are apparent from the history of these relationships.

### RELATIONS WITH GOVERNMENT

Whatever the cause, the relationships between business and government have deteriorated markedly in the last decade. Ad-

mitting that both sides of this controversy might have a case does not minimize the fact that a continuation of strained relationships works irreparable harm to both parties, and particularly to business. Government, as a servant of the people, will always hold the whip hand, and the public relations executive should face squarely the fact that the louder the dispute, the more industry has to lose in prestige and public standing.

This is not a counsel of appeasement. It is merely practical recognition of the fact that "swinging from the floor" is not always necessarily the best way to win an argument or dispute. The student of public relations would be well advised to keep his company out of a public dispute with any agency of the government as much as possible. Private negotiations and even private fighting for what the company believes to be its right may be diligently pursued if necessary, but the fight does not always have to reach the public.

When a company or an enterprise feels it necessary to take an issue to the public for support, it should first make sure that its position is in line with the public interest. From a cold, practical viewpoint the public is more prone to feel that the government represents the public interest more faithfully than any company or industry. Consequently, in any public dispute with the government, an industry necessarily starts out with this handicap.

The basic clash between the collectivist ideology, which for a time gained a strong foothold in government circles, and the philosophy of private enterprise, which has sparked the growth of industry in America, provides many temptations for name calling and bitter controversy. Too often the argument results in more heat than light, and almost invariably in such a case industry suffers the greater loss in public esteem. Where an open conflict between government and business is unavoidable, it should be conducted by industry at least on a high plane of reason and logic with temperance and tolerance at all times.

Dr. Harold G. Moulton, noted economist and president of The Brookings Institution, was quoted in *Industrial Marketing* as saying:



The relationship between government and business in the United States has always been of threefold character: first, government assists business; second, it regulates business; and third, it competes with business. It has always done all of these things simultaneously, though the emphasis has shifted considerably over the years. In our early history, primary emphasis was placed on the promotion and encouragement of business; after 1880 much greater attention was given to the restraint of monopolistic tendencies; and in recent years, competition and other direct controls have been in the ascendant.

But even now, government continues to promote and assist business in a wide variety of ways: by means of the protective tariff system, by establishment of uniform standards and practices, by financial assistance to distressed industries, etc. Any idea that either the government of the United States or state and local governments should henceforth be completely divorced from business is, of course, foolish. Business would be the first to demand the continuance of many types of government assistance and regulation.

If Dr. Moulton is correct in these assumptions, then it is plain that government-business relationships are not a matter of transient importance but will continue to present a problem indefinitely in the future. The solution, if ever, will come through a better understanding by each of the aims and purposes of the other. In the pursuit of this understanding it is the public relations executive's function to see that eventual understanding is not made more difficult by tactics and policies that cost industry the friends it needs to win its point.

#### RELATIONS WITH UNIONS

Relations between business and government and business and labor unions share one common danger for business: in either controversy it is easy for good public relations to take a licking through some thoughtless act committed in the heat of controversy. The human tendency to lose one's head in a fight where the opposition seems utterly unreasonable has brought many public relations headaches to both sides.

Nejelski & Company, Inc., management counsel, conducted a

survey among business and labor leaders to find out what men on each side thought of their adversaries. In its report the research organization said:

What comes out of this study as "cause for alarm" is not the body of issues in dispute between union and company officials. The most disturbing result is the existence of highly charged emotional attitudes on both sides that will interfere with the reasonable solution of whatever issues there are. A strong intolerance and lack of respect mark the comments of both sides on the opposing leader. The dangerous tendency to lump the thousands of people on the other side into one iron-clad stereotype is obvious.

While labor issues involving collective bargaining, negotiation of contracts, strikes, grievances, and other such matters are not the direct concern of a public relations department, they obviously have a tremendous bearing on the relations of the company with all its publics. A serious labor dispute can wreck or impair all the good work that a company has done in building up its prestige. Consequently, labor policies must be considered a vital part of any public relations program.

It is a prime duty of the public relations executive in time of labor crisis, therefore, to see that he does nothing in the heat of the controversy that irreparably damages his company's prestige with the public, no matter how great the temptation of the moment. In any labor dispute the public relations student should remember one bitter rule: generally speaking, the labor union starts with public sympathy on its side. It is just human nature for public support to turn spontaneously to what the public considers the underdog. Let there be no doubt in anyone's mind that in a controversy between a corporation and its employees, the individual workers are usually considered the underdog. That public opinion sometimes reverses itself in matters of this kind is more often a testimony to the stupidity of some labor leaders than the wisdom of industrial managers. In those labor disputes where public opinion is clearly on the side of management the cause is more often labor's than management's.

## PROPAGANDA IN DISPUTES

The public relations dangers lie in the steps taken to enlist public sympathy on the side of management. In carrying out their battles for public support, the leaders of both management and labor have used every available means of propaganda to argue their side of the case. An interesting recent development in this respect is the purchase of advertising space in newspapers for announcements to the public or statements to employees.

The value of such strike advertising in improving public relations is open to debate. The argument is not so much with the method as with how the method is used. Lee Graves, of Hutchins and Graves, Inc., New York, discussed the subject in an article in *Printers' Ink* as follows:

Any labor lawyer can testify to the fact that an attack by management on an established union helps to unify it because it deepens its determination and antagonism. Argument and attack call forth counterargument and counterattack. It would be pleasant if human beings retired gracefully when they are proved wrong. Unfortunately, they don't. Ads showing "why the company is right and why the union is wrong" strengthen the union because of man's natural aversion to admitting he's in the wrong. More important than any of these immediate effects is the long-range effect. The resentment aroused by heated argument during a strike doesn't fade out completely at strike's end.

In this article, Mr. Graves reinforces a fundamental thesis of this book, namely, that propaganda designed to convert people from one point of view to another may be effective in changing a few minds—it may even be necessary in meeting opposition attacks—but it is hardly sufficient to be classed with the basic principles laid down in this book as to what constitutes good public relations.

No hard and fast line can be drawn to show where public relations leaves off and propaganda begins. Each institution must decide in connection with the particular problem that faces it how far it should go in one direction or the other. The strike advertising of General Electric Company is a case in point.

When it was apparent in 1947 that a strike would soon be called against General Electric, the company decided to launch an advertising, radio, and publicity campaign. The campaign was not designed directly to break the strike. The three main objectives were (1) to show the importance of GE to the business and economic life of the community, (2) to show the disastrous effects of strikes on the home and community, and (3) to show the relationship between jobs, wages, and prices.

Such a campaign could have been carried on along purely propagandistic lines and much of it was, but two strike advertisements stand out as excellent examples of what might be termed a public relations approach to the issues. One of them read: "How soon can I get back to work after the strike? Many workers have asked GE this question. Here's our best guess . . ." (followed by an explanation of the company's problem). The other advertisement was addressed; "To General Electric workers on strike. Your GE Life Insurance Plan will be kept in force for your protection."

Mr. Graves, previously quoted, had this to say of the ads:

Those on management's side may think this is weak stuff—appeasement—but they can't help realizing that the policies outlined here improve the reputation and standing of all management. The neutrals and general public are far more likely to respond to this than to the usual "why we're right and they are wrong" approach. They feel that here is an example of fair, generous management; anyone opposing such reasonable people must be wrong.

Good public relations? Undoubtedly! It is also a striking demonstration of the fact that it is sounder to win friends for yourself by showing your good side rather than your opponent's bad side. That is simply sound business—and smart public relations.

#### RELATIONS WITH EMPLOYEES

Dealing with one's employees, as distinguished from dealing with a professional labor union, is more a matter of sound policy than defensive or "fighting" public relations or publicity. Here again, the matter is of such vital concern to the public relations

department that the public relations officer of the company should be a party to the development of sound employee relations plans.

Good industrial relations, like good public relations, will rest on sound policies that have been formulated for the long haul and based on the best study and experience in the field. The principles of scientific personnel management are much too broad to be included in this book. What should be emphasized here is that the policies and conduct of a corporation toward its employees must be in every way consistent with its policies and conduct toward the public. That is why the advice of the public relations expert is valuable in setting up labor policies. A close bond must exist between the department of industrial relations and the department of public relations. They must agree on management policies and practices concerning employees to ensure that employees are fairly treated and are satisfied, and in turn the publics outside the plant are convinced that the employees are getting a fair deal. For employees are the first channel of communication to the outside world. What they say and do, both outside and inside the plant, will have a prime bearing on how other people feel about the company.

Authorities in personnel management recognize four basic needs and desires of employees that should form the basis of good industrial relations.

1. *The Need for Economic Security.* While the strength of a company's position, its financial stability, and its progress are important to the worker's security, he is far more interested in the specific policies of the firm concerning regularity of employment, protection against unjust and indiscriminate discharge, payment of living wage, and provision for old age, illness, and accident.

2. *The Need for Physical Security.* The fear of being disabled is quite as real as the fear of losing a job. The normal workman, therefore, wants the company to provide the greatest possible protection against injury, occupational disease, and accidental death. He demands good lighting, clean air, and clean and adequate rest rooms. The progressive company also will carry on a strong accident prevention and safety program as well as provide medical services.

3. *The Need for Satisfaction.* Being human, the wage earner wants a job that **he likes and one that offers opportunity for advancement.** This includes many of the satisfactions already listed as well as wage incentives, upgrading programs, suggestion award systems, vacations, etc. Moreover, the employee wants to be **treated as an individual and a friend and to be given recognition for his efforts.**

4. *The Need for Representation.* Above all, the worker wants established channels of communication between himself and management, through labor-management committees, with the right to select his own representatives for conference with management. What the worker wants to be certain of is fair treatment, proper handling of grievances, and friendly cooperation.

All of these desires have a strong bearing on a company's public relations, and the public relations officer must share responsibility with the industrial relations officer in dealing with the public and the employees.

#### REACHING THE EMPLOYEE PUBLIC

In Chap. 5 it was pointed out that the public relations department of a corporation not only works closely with the industrial relations department but is usually responsible for the promotion of the company's interests with employees through letters, reports, house organs, and special literature. This activity poses a delicate problem. At a meeting in Seattle of public relations men for various business organizations, it was agreed that one of the most difficult assignments they had was to make the worker aware of his company's interest in him.

"We put out pamphlets explaining the company's benefit plans for workers," said one executive, "but they don't read them. I have come to the conclusion that the only way to make our employees understand what we are doing is to talk to them personally. And I've made that my assignment for this next year."

Can sales and merchandising methods be employed, as one public relations representative advocates, to win the cooperation of workers as well as customers? Will employees respond to a flood of appeals from public-address systems, employee publications,

advertising in the newspapers and over the radio, manuals, posters, bulletin boards, and personal messages to their homes. James C. Worthy, a personnel department executive of Sears, Roebuck and Company, does not think so. In a talk to the American Management Association, he said:

Employee attitudes can't be influenced effectively by direct frontal attack. We (Sears, Roebuck) have not considered it worth our while to explain "management's point of view" to our employees, nor to educate them on the "facts of life," nor to sell them on the virtues of the free enterprise system. Frankly we are skeptical of the utility of such an approach and strongly suspect that it creates more antagonism and distrust than it wins converts. . . . Attitudes are largely a product of experience. If the worker's experience on the job causes him to dislike and mistrust management, no amount of "education" will change his feeling.

The authors take a middle-ground view on this question. They believe that all channels of communications with employees should be used constantly, but they agree with Mr. Worthy that greater discrimination should be exercised in the type of material presented in order that the company cannot be accused of "overselling itself." An attractively designed booklet published by a large department store in a medium-sized city is a case in point.

After appealing to employees to establish good relations with "your public," the booklet prescribes all the petty rules that shall govern the conduct of employees on the job—where to enter the building, how to present identification, where to deposit their lunch, where to check personal effects, and so on. Instead of winning voluntary cooperation of employees in the public relations program of the store, there is an implied threat that "you must do these things, or else."

The basis of many progressive personnel programs is laid in the attractive employee handbooks that more and more companies are giving to each new employee when he joins the company. Many of these handbooks have achieved real heights of personnel statesmanship by presenting in interesting and readable form all

the information a new employee needs on the company's attitude and policy on working rules, pensions, holidays, safety, and other personnel matters.

#### THIRTY YEARS OF LABOR PEACE

Under the above title, *Fortune* relates the story of how Standard Oil Company of New Jersey—one of the three largest industrial enterprises in the United States—has avoided labor troubles through a carefully planned program of employee relations. During the strikes of 1945 and 1946, the oil kept flowing smoothly through the Jersey company's far-flung system of affiliates with the exception of one small refinery.

*Fortune* admits that a large part of the company's success rests on its power to deliver steady employment; its creation of a wage and hour pattern for the oil industry; its system of negotiations with labor, and its health and welfare benefit plans; but *Fortune* points out that the human factor in its operations is perhaps the most powerful factor. The men at the top of the big corporation still keep in personal touch with their employees, for example:

In the big Baytown refinery near Houston, plant manager Gordon Farned knows a good number of his 6,500 men. A boilermaker leans on the door of Farned's big shiny new car and talks to him with a casual ease that is rapidly vanishing from twentieth-century life. . . . [In the New Jersey area] if the men have a complaint to make, they want to speak—and sometimes do—to Frank W. Abrams, the chairman of the board of the Jersey company, because they remember that Frank Abrams used to work with them way back in 1914.

The *Fortune* article does not overlook the fact that Jersey's labor record was born out of painful experience prior to 1916. Even more interesting from a public relations viewpoint is the fact that the company itself published an article critical of its previous labor record in its own magazine *The Lamp*. The article was written by Stuart Chase and was not edited in any way. It was distributed to some 240,000 employees, stockholders, and others. That might be termed "fearless" public relations.



## BUILDING INTERNAL MORALE

There are scores of splendid case studies illustrating how business firms have improved their relations with employees, and through them their relations with all publics, only a few of which are mentioned here. The Falk Corporation of Milwaukee, Wis., manufacturers of modern transmission equipment, ascribes its 50 years of untroubled labor peace to the close personal interest taken by members of the Falk family in their employees.

The Scott Paper Company of Chester, Pa., has never been closed by a strike, and attempts by national labor organizations to unionize the plant have been met by rebuffs from its 3,000 employees in National Labor Relations Board elections. Key to Scott's good labor relations may be found in its extensive employee benefit plans.

The success of Alex. Lewyt, head of the Brooklyn corporation bearing his name, which manufactures metal mechanical and electrical products, is due to his "willingness to spend as much or more to maintain and improve human machinery as to maintain and overhaul mechanical equipment," according to one writer.

Procter & Gamble Company put its guaranteed annual wage into effect in 1923, and since that time the Geo. A. Horner & Company packinghouse and the Nunn Bush Shoe Company have installed similar systems. Incentive wage and profit-sharing plans have also been used in numerous small industries.

One of the newest experiments in the field of employee relations has been conducted by the General Electric Company. After a survey to learn what GE employees liked and disliked about working for the company, management set out to enunciate policy in its two dozen "works" newspapers, answering each point. But the survey disclosed that many workers were more concerned with broader questions such as high prices, corporate profits, the housing shortage, and skyrocketing rents. Accordingly, says *Tide*:

GE looked into some contentious economic questions and suggested possible answers. The answers are blends of information collected from the government, universities, individual economists, magazines, newspaper columns, and editorials. The company makes no claim to

having complete or definitive answers or to having any inside information; it aims *only to interpret the data from recognized and responsible authorities*.

Some of these articles from "works" newspapers have been run as advertisements in plant city newspapers for general consumption, another example of how internal relations cut across the broad field of public relations.

## Chapter 9

# Business and the Community

---

---

*A company's public relations is strongly rooted in its plant community relations. There is no place a company is so much liked or hated as where it lives. Employees and townsmen observe what goes on, exchange views. No company can get away from the opinion folks hold in its home town.*

PAUL W. GARRETT, vice-president, General Motors.

*There can be no completely successful program of industrial public relations unless it rests on a foundation of close understanding and accord between management and employees and between management and factory communities. We might call this community-employee-management understanding.*

GORDON H. ALLAN, *Printers' Ink.*

### EMPLOYEES AND THE COMMUNITY

Bigness in business has been at the root of many of industry's public relations problems in recent years. Bigness has brought management into conflict with little business, with labor organizations, and with government. Moreover, it has aroused suspicion and distrust among large segments of the public. Even among its friends, big business has been regarded as remote, impersonal, and more interested in making money than in advancing the public welfare.

To meet these criticisms, as well as to find a more stable labor market, the large corporations of late years have made an effort to decentralize their industries by setting up separate plants in small communities. While this move has mitigated many of the problems, it has raised a new and even more delicate one—the relations of the plant to the community.

Next to its own employees the citizens of the plant community compose the most important public with which business has to deal. Moreover, the intimate relationship that exists among management, its employees, and the community in which the plant is located makes an understanding among them a prime essential. One cannot work without the others.

In the strikes that followed the war, the citizens of the plant communities were the chief targets in the propaganda battles waged between management and labor. They were literally forced to take sides in the conflict. The result was a wave of bitterness, suspicion, disillusionment, and downright antagonism directed toward one side or the other. Undoubtedly, both management and labor lost ground with their friends and neighbors.

Now management is usually at the greater disadvantage in a dispute, even though newspaper editors and business leaders of the community may rally to its side. For one thing, there are many more employees. In most plant cities the employees and their families constitute the largest group in the community—they may even be in the majority. In the second place, the attitudes of the people in the community are often the reflection of the attitudes of the workers toward their employers. If the employees are boosters for the company, the plant will almost certainly have good community relations. If the employees are "knockers," the reverse is bound to be true.

This problem cannot be considered purely an internal matter unrelated to the larger aspects of public relations. If good employee relations are the foundation of all public relations, as emphasized in the previous chapter, then good community relations are at least a vital part of the superstructure. The customers and the other publics outside the plant cities will sooner or later sense the attitudes of the plant's neighbors and act accordingly.

#### WHERE THE PROBLEMS LIE

Chief among the difficulties faced under decentralization is the attitude of the communities toward absentee ownership. The absentee owner is suspected of being less interested in local affairs than the local owner of a business and is even accused at times of

working against the best interests of the community. It is difficult, but *not impossible*, to overcome this prejudice if absentee owners will place full confidence and responsibility in their local managers and not make them puppets of the central organization.

Another way to make a subsidiary plant in a community unpopular is to stigmatize it as a trust. General Foods Corporation, for instance, is *admittedly* a merger of many companies, but as Vice-president Ralph Starr Butler points out, mergers are often mistaken for monopolies in the public mind. The stereotype labels—monopoly, combination, trust—are often applied to such corporations as General Motors, General Tire & Rubber Company, and the *some 70 other "general" companies* in the United States, yet very few of them are monopolies in the real sense.

Here is a real public relations problem as business grows bigger and more concentrated. There is no easy solution. Perhaps Mr. Butler of General Foods offers the best hope when he says:

We have a job to do to separate ourselves from the trust and monopoly idea and to prove that we are a *desirable citizen and neighbor and a good friend of the family*. . . . We can, however, partly overcome our handicap by *doing all that can be done to convince the public that those who direct the affairs of the company are honest, decent, friendly, and able human beings, worthy of public confidence and good will*.

All the troubles in connection with plant cities are not encountered by branch plants alone. The plants, locally owned and centralized, often run up against similar suspicion and resentment among their neighbors. During the war the constant ballyhoo about absenteeism reacted unfavorably against many local concerns. Millard Faught, in his article in *Tide*, previously quoted, says:

Too often company publicity men lent credence to the liquor-and-silk-shirt fable, which really was a story of a thousand little human problems growing out of wartime disruption to people's ordinary living patterns: more money for beer and bourbon being only one of them. During the reconversion period, a similar public relations mess is being made of the myriad of economic factors involved in peacetime pay

adjustments. It's dangerously easy to imply in publicity handouts that the workers would rather go fishing or that they will be glad to come back to work when their bonds are all gone.

Many citizens believe such statements reflect on the loyalty of their fellow townspeople and on the whole community. This is a matter that can be corrected by a little thought before action. As Mr. Faught suggests, many companies would do well to start over from scratch in establishing new and healthy patterns of peacetime relations.

#### SETTING UP A PROGRAM

As in meeting every other public relations problem, a program to improve relations with the citizens of a community involves several steps:

1. A survey of community attitudes, conducted formally by a polling organization or informally through interviews with, or letters to, leading citizens. You cannot intelligently proceed until you know what people think, what they want, and what they expect.

2. Make sure that your house is in order. An unsightly plant, run-down building, unkempt grounds, complaining employees, and aloof executives are a combination hard to beat in promoting bad public relations.

3. Take more than a passive interest in local affairs; be active and even aggressive in winning the cooperation of the community. In fact, the executives of the company should be leaders in community affairs and a vital part of the social scheme. This may mean joining clubs and organizations, serving on committees, directing welfare movements, contributing generously to various fund drives, and so on, but these activities are as essential as producing a good product.

4. Bring the community closer to the plant and its operations. The custom of holding "open house," which was discontinued in many industries during the war for reasons of military security, should be revived. This activity can be supplemented by exhibits in downtown stores and at fairs and expositions; demonstrations

The decentralization of the public relations function has proved extremely successful, Mr. Garrett says. At Frigidaire the director of public relations reports to the general manager and sits on the operating committee. At present there are 32 GM divisions with executives variously designated to handle public relations. In this connection Mr. Garrett adds a significant word for students:

As more general managers can locate men competent for such assignments. . . . they will want to appoint directors of public relations to work with them on broad public relations matters in developing techniques suited to their division's needs.

The same policy of delegating more responsibility to local management is emphasized by General Foods Corporation. Again quoting Mr. Butler:

The first goal in our factory towns is to deserve and obtain the good will of the citizens for the local plants—for their management, their policies, their treatment of employees, and all the many other things that go to make up good neighborliness. This is a big job by itself, and we intend to do everything possible to help our local managements to accomplish it. We cannot get very far in this direction, however, if we are blocked by something less than good will for the parent organization. Nor, conversely, can we get very far in developing good will for General Foods if we are blocked by something less than good will for the local units. We have a double job in the towns where we operate, and neither job can be accomplished without accomplishing the other job as well.

#### FIRM WITH HOMETOWN PRIDE

One of the best examples of strong community relations that has come to the authors' attention is the work done by Caterpillar Tractor Company's Community Relations Division in Peoria, Ill., and surrounding communities, from which its 18,000 employees are drawn.

Basis of the Caterpillar plan is participation in the activities of local groups—Boy Scouts, Y.M.C.A., Girl Scouts, Parent-Teachers, and other civic organizations—by members of the Caterpillar fam-

ity. Each week the division selects two of the company's top men to attend city council meetings to indicate Caterpillar's interest in good government.

Community leaders are invited to the factory for inspection, lunch, and a visit with executives. The division arranges talks and programs for churches, civic organizations, clubs, and schools. It runs special films. It holds art exhibits, and it helps advertise Red Cross, Community Fund, and other campaigns.

Outstanding in its program, however, is the company's willingness to lend a hand in anything the community is doing. Local CIO leaders were surprised when they were offered one of the company's DW-10 tractors—a big rubber-tired job—to haul their float in the Labor Day parade. Peoria Boy Scouts got a bulldozer to level off their baseball diamond on a vacant lot.

When the Illinois River got out of control, 15,000 Caterpillar employees volunteered to work around the clock—not only to keep the plant from being flooded but also to keep back the waters from neighboring towns and villages. Recognizing that rumors about the company are hard to spike, the division quickly gets at the source of such stories and then invites key people in the community in for a thorough investigation. Leonard J. Fletcher, director of the division, is quoted as follows:

Some people feel that we are going altruistic in our community relations. We're not. It's simply self-interest. . . . American business wants to be understood. The men who put in long hours guiding industry would like nothing better than to know their tasks are understood by others. With such understanding, industry would gain friends, for people are far less likely to dislike those they know than those they do not.

#### BUILDING GOOD WILL

Another illustration of a sound way of handling the community problem is illustrated by the General Shoe Corporation of Nashville, which employs about 12,000 persons in some 15 plants, most of them in towns and small cities near the headquarters city. A public relations department was set up there early in 1942, and efforts were concentrated on plant-town situations.



Meetings were arranged between the leaders of each town and topflight General Shoe executives, and management-employee meetings were held in the plants and grievances aired. Periodic reports on the company's income, expenditures, and profits were graphically presented in local newspaper ads, and the papers also carried regular departments for General Shoe news. Employee publications were set up in the plants. There were "open houses" and tie-ins with civic clubs, churches, schools, and other organizations.

Decentralization almost to the point of atomization has proved an extremely successful policy for Sylvania Electric Products, Inc., a big company with sales of over 100 million dollars a year. Although it is one of the country's two or three largest producers of radio tubes and electric light bulbs, it does not believe in big factories and owns none. Rather it has small plants in more than 20 comparatively small towns.

The policy of carefully avoiding large plants, of starting a new one rather than building on to an old one, has brought workers closer to community life and put them "within spitting distance of their fishing," according to Roger William Riis in *Forbes*. The result is that employees are not mere numbers on a badge but hometown folks. And from the company's point of view, a lot of personnel problems have been eliminated. Again, a good public relations program begins with a good policy.

The Ford Motor Company has had 27 years' experience in building up its village industries. General Electric believes the most efficient lamp plant has from 300 to 500 people. Decentralization has helped to check the urbanization trend so marked in the last century; it has helped preserve the American home; it has eased the labor situation; and in some cases it has stimulated a healthy competition between various units of the same company.

#### CHAIN STORES AND COMMUNITIES

The greatest uphill battle of all to win the good will of communities has been waged by the chain stores. Although chain-store development dates back to the latter part of the last century, no

organized opposition was apparent until the early 1920's. By 1923 the rumblings had penetrated the legislative halls of a few states, and in 1926 and 1927 the outlook became stormy indeed. During 1929, 62 anti-chain tax bills were considered in 24 states. Two bills were enacted.

The history of this fight and the public relations campaign that was conducted by the chains to meet it are related in detail in an article by T. Eugene Beattie of the University of Illinois in the *Journal of Marketing* for January, 1943, from which a large part of the material in this case study is drawn. In 1930 the National Chain Store Association launched a program of public relations, calling for an appropriation of \$115,000, of which \$40,000 was to go to actual public relations while the other \$75,000 was to be used to meet discriminatory tax and anti-chain legislation.

The resolutions adopted by the association recommended wide extension of chain budgets for civic and charitable work; encouragement of participation by chain employees in all recognized community activities; delegation of authority to local managers over charitable contributions; and limitation of chain monetary contributions to causes administered through established administrative bodies, such as chambers of commerce, community chest funds, and the like. The campaign also called for speaking tours through key states by such chain executives as A. H. Morrill, president of the Kroger Company; F. H. Massman of the National Tea Company; J. C. Penney and E. G. Sams of the J. C. Penney Company.

In 1935 Safeway Stores, Inc., of California, instituted a public relations program under the direction of Lord and Thomas Advertising Agency, which resulted in the decisive defeat of the California referendum calling for anti-chain-store-tax legislation. With the introduction of the Patman Bill to impose a graduated Federal excise tax on chain stores, the Great Atlantic & Pacific Tea Company of America engaged Carl Byoir & Associates, Inc., public relations counsel, to "spend a substantial sum of money in telling our story to the American people."

The millions of dollars spent by the chains in fighting discriminatory legislation, although spectacular, was not the important

contribution of the chains to the science of public relations. Rather it was the development of a sound program based on a sincere and constructive method of business operation.

#### THE CHAIN-STORE PROGRAM

The five fundamentals of the broad program that has lifted the chains from "bad boys" to the "fair-haired lads" of business are listed as follows by Mr. Beattie:

1. Virtually every member of the National Chain Store Association belongs to the local chamber of commerce in each community, and there is almost 100 per cent active participation by chain-store managers in civic and service organizations.

2. Chain organizations have been strong supporters of civic funds, and contributions have been increasing steadily.

3. Chain stores have been quick to rally behind emergency appeals for funds.

4. An outstanding contribution to good public relations has been the program of chain-farm cooperation, where noteworthy work has been done in the disposition of agricultural surpluses. Safeway Stores set the pattern in 1936 for the farm-surplus campaign, and in 1938 *Business Week* observed that "the food chains have yet to fall down on any of the drives that they have been scheduling . . . to move agricultural surpluses." Chain-farm cooperation also has been demonstrated in relations with state colleges of agriculture, state departments of agriculture, sponsorship of 4-H and Future Farmers of America activities, and in "buy-at-home" purchasing policies.

5. Of late years education has received the support of a large number of chains. Many companies have established college scholarship funds and other student aids. Educational aid has been offered to young men and women from agricultural groups. State chain-store councils have helped promote education such as the "job education" program of the Illinois Council. In some localities chains have presented land and money to communities for the building of public schools.

Along the same line chains have been prominent in promoting recreational facilities. Waukegan, Ill., was presented a \$12,000

beach pavilion; Danville, Ill., was given an \$11,000 recreation center. Various chains have sponsored softball teams, donated trophies, organized youth recreational groups, and so on. Between 1931 and 1937 a total of 849 anti-chain tax bills were introduced, while between 1938 and 1940 only 118 were brought up. Since 1939 most anti-chain-store proposals died in subcommittee.

#### THE STORY OF SAFEWAY

The turning point in anti-chain-store taxation is thought by many to have come with the successful battle of Safeway Stores against the California anti-chain tax bill in 1936. Since that time the public relations policies of these stores have been skillfully guided by Braun & Company. However, T. W. Braun, president, acts only as general counsel. His method has been to set up a strong public relations organization within each chain to carry out the broad policies laid down.

Basic in the Safeway policy is the keynote of service—a service based on sound business methods and designed to assure economies to the customer, and secondly, genuine participation in, and support of, civic affairs to the end "that the community shall be a better place in which to work and live."

In an interesting booklet on Safeway policies for Safeway employees, some of the highlights of the company's operation, public relations-wise, are described as follows:

In negotiating contracts with advertising media, it is Company policy to pay established rates. No attempt shall be made to force papers to quote special prices. *The Company expects to receive only the lowest rate charged for the amount of space for which it contracts.*

Be truthful in all advertising, never using phrases, prices, or markings that may mislead or be misunderstood by persons reading the ads.

It is Company policy to cooperate in the promotion of neighborhood events with churches, parent-teacher groups, and other similar non-profit organizations. If asked, store managers shall display advertising of events in a conspicuous place in the store window. It is Company policy not to place any cards in our store windows or Company buildings to advertise horse races, circuses, theaters, and other events or businesses conducted for private gain.

Chain stores sometimes are accused of "taking all of their money out of town." In the case of Safeway, it is a definite policy that this charge never be substantiated in fact. The best answer to such an accusation is . . . to refer anyone making such a statement to the local banker.

It is desirable to maintain memberships in local organizations, such as Chamber of Commerce, Rotary, Lions, and Kiwanis. . . . Those selected should be encouraged to attend regularly and take an active part.

*It is the Company policy that every employee shall live up both to the spirit and the letter of every contract that the Company makes with any firm, person, or corporation with which it deals. This policy shall be adhered to regardless of what competitors may do. . . .*

Donations shall be made in accordance with the current needs of each local community and the Company's ability to meet them. . . . As soon as possible after January 1 of each year, the manager of the public relations department shall make a careful study of the donations and charity problems in all cities and towns in the area for which he is responsible and prepare a budget of all contributions. . . . All donations shall be made in cash. Those receiving money may buy merchandise if they so desire, but the donation shall not be contingent on their so doing.

It is Company policy not to issue any publicity glorifying Safeway for supporting and aiding growers in moving their surplus. If the campaigns are properly handled, the producers themselves will see that Safeway gets any credit to which it may be entitled.

It is Company policy that all sales are made on a money-back guarantee. This means that money shall be refunded cheerfully if for any reason a customer is dissatisfied with any purchase.

The merchandising policies of Safeway—both in buying and selling—are also set forth in unequivocal terms in the booklet, but the above excerpts were selected chiefly for their over-all public relations merit. In the opinion of the authors of this volume, they set an admirable pattern for community relations.

#### BANKS AND THE COMMUNITY

As part of a larger system or as locally owned units, the banks of the country have gone further in the development of com-

munity relations than probably any other type of business institution. The success of a bank is rooted deeply in the attitudes of the community it serves. The town banker is always among the leading citizens of the community, and he often acts as the community spokesman.

The over-all public relations problems of banks throughout the country will be considered in a later chapter, but here we will consider the hometown banker in relation to his community. What is he doing to promote better feeling toward the bank among his fellow citizens? Of late years he has been advertising extensively in the newspapers; he and other bank officers take an active part in community organizations; they speak before local groups or the local high school; and they assume leadership in developing hometown projects.

Out on a highway on Long Island, 20 miles east of the center of New York City, is a small community called Franklin Square. Franklin Square has a bank and the bank has an executive vice-president, Arthur T. Roth, who has put his town on the map. One of Roth's projects started by obtaining a photographic panorama of the somewhat dismal stores on the main street. Then he had an architect sketch the street with every store front done over in a uniform Early American motif.

Calling businessmen together, he showed them the picture of today, then suddenly flashed before them the panorama of tomorrow. Roth told them that the project would cost \$500 for each 15 feet of frontage, and the bank would lend the money on a 5-year basis. Everybody signed up. Another project of Roth's was to acquire an area behind the bank and landscape it with flowers and shrubs, then turn it into a "Garden Bank." Three of the bank windows face the garden, which is kept open in summer and glassed in and heated in the winter.

In 1934 the bank had deposits under \$500,000. In ten years they amounted to over \$13,000,000.

#### MORE HOMETOWN BANKERS

In Tennessee you hear a lot about the resourcefulness of C. W. Bailey, president of the First National Bank of Clarksville, writes

J. P. McEvoy in *Banking*. Banker Bailey will tell you that an old farmer rocking on his porch changed his whole viewpoint about country banking—and revolutionized the agricultural economy of that part of Tennessee.

For more than a hundred years the rolling red fields of that section were planted to "dark-fired tobacco," which was slowly devastating the soil. Bailey had been sending out circular letters filled with advice for his farmer clients, but things got steadily worse. Finally an old farmer invited him to sit a spell on his porch. The old fellow told him about the "four pillars." The four pillars, he said, were four crops for four seasons, the way the farmers' fathers had farmed before the price of tobacco made men greedy. Tobacco was one of the pillars, but the other three were lambs, wheat, and cattle.

After Bailey had investigated he sent out a letter to the bank's clients explaining the four pillars. When the conservative farmers balked, he organized an auto cavalcade of 63 farmers, which he led over the border to Kentucky. They came home converted. Bailey set up several demonstration stock farms and lent money right and left to buy sheep and cattle. Today nearly every farmer in that section owns a small herd. Bailey even made two movies to spread his gospel and showed them in churches and schools.

Under the title "Bank Knight in Arizona" Keith Monroe tells in *The American Magazine* the story of Walter R. Bimson, president of the Valley National Bank of Phoenix, Ariz., who has virtually changed the face of the state. He has pushed electrification and modern plumbing into lonely desert settlements. He has helped make the "Valley of the Sun" a winter playground for tourists. He has sent emissaries all over the country to bring new businesses, branch factories, and other wealth-producing operations into the desert.

His bank now has 20 branches throughout Arizona and is the largest in the Rocky Mountain states. Its success was built on the business of making small loans to plain people and keeping them out of the hands of loan sharks. That is heresy in banking circles, but in 10 years his bank had made 198,000 installment loans with losses running less than two-tenths of one per cent.

The basis of good community relations is an honest and sincere effort to become a good industrial citizen of the community. Once having established oneself and one's business as a vital part of the social scheme, one's public relations will depend on the kind of policies adopted, the type of service rendered, and the imagination used in conducting the business.



## Chapter 10

# Business and Supporting Publics

---

---

The next task is to convince business management that it has to sell business as well as its products and that accomplishing the one will help accomplish the other. This means showing business clients what it is the public wants to know, or ought to know, about a company besides descriptions of its products; and what things the public expects business to do besides simply producing goods.

MILLARD FAUCHT and JOHN ORR YOUNG, *Tide*.

There was a time when the payment of regular dividends and the publication of a stereotyped annual report were regarded as all-sufficient to maintain stockholder confidence. But that was prior to the 1929 financial debacle. The depression of the thirties branded this belief as a popular fallacy because enlightened management discovered that when shareholders were treated as partners in the enterprise, they were inclined to retain their investments intact—as well as their faith in the capitalistic system.

WESTON SMITH, *Public Relations Directory and Year Book*.

### PUBLIC RELATIONS VS. SELLING

So far we have discussed business and its relationships with the general public, with government, with labor unions, with employees, and with the plant communities. Little has been said about those publics to which business must look more directly for its support—customers and clients, suppliers, distributors, dealers, and stockholders. These publics are vital to the conduct of any business—they furnish its very lifeblood—but a detailed study of them is not within the compass of this book for two reasons:

First, because contacts with these publics are more often made through advertising, merchandising, and selling. These latter ac-

tivities in many organizations today have been divorced from public relations, and rightly so, because the objectives of the two departments are widely different. In saying this, there is no intent on the part of the authors to discount the importance of advertising and selling nor to indicate they do not have public relations implications.

Second, and more important, the sales of a company are not always a true index of its public relations standing. A business can readily sell its goods and services and still have *bad public relations*. A prime example of this was set forth in the last chapter in discussing the history of the chain stores. These stores were patronized heavily in the thirties because they sold food cheaper and more efficiently than small independent retailers. Yet a campaign to tax them out of existence came dangerously near success.

In England the coal mines, the railroads, and the Bank of England have been nationalized by a Labor government elected by the British people. In this country the government took over the soft coal industry—temporarily, it is true, as a means of settling a coal strike—but would it be difficult for the government to turn such a seizure into permanent nationalization? The power industry has been moving steadily into government hands, and the cry has gone up on numerous occasions to take over the railroads and the telegraph and telephone facilities.

Without sales private business would die, but death can come quite as easily through deteriorating relations with the public. After the 1929 crash the public showed growing dissatisfaction with business. Business had been too busy selling products to sell itself. It had relied on doing a top-production job, keeping the customer satisfied, and letting public relations as a whole run itself.

#### THE PRESENT OUTLOOK

We are now passing through another era in which production has been strained to the limit to keep up with demand. While business leaders are more public relations-conscious than they were in the thirties, there is a disturbing tendency today to treat public relations as a matter of secondary importance. Although

it may be unfair to single out any particular business for criticism, the public relations of commercial air lines was cited in the August, 1946, issue of *Fortune* as an example. Writing of the postwar boom in air travel, that magazine said:

The first effect of the boom was to diminish the old-time service standards, astonishingly well maintained through the war itself, toward the vanishing point. Standards of service are off in all business: 1946 simply is not a year of plush comfort. But based on prewar standards and postwar advertising something more is expected of the air lines; and it is the highest tribute that air lines could ask.

The article listed five major public relations problems with which the air lines had to cope. Briefly, they follow:

1. Air line telephones always seemed busy. Passengers were unable to reach the air line even to cancel reservations.

2. The waiting list for reservations and tickets in many places had become a joke. It was easier for the air line to sell to the "go-show" passenger who was there to take his chances on getting aboard the last minute than to make a dozen calls checking a waiting list.

3. Limousine service to and from air fields was dirty, uncomfortable, and frequently a factor in delay. The average driving time to and from the larger cities was 40 minutes each way. The air lines protested against going into the bus business.

4. While efficiency of pilots and maintenance crews had been maintained at prewar standards, service en route had fallen off badly. Serving hot food in the 50- and 60-passenger air liners had become a problem.

5. Airports, generally, were inadequate and badly in need of improvement. Chicago had the worst—a slum—but San Francisco and Los Angeles were not much better.

*Fortune* commented that air-line executives are equipment-minded rather than organization-minded, but the future of air travel depends on the demands of the passenger rather than on the beautiful planes the executives love. President W. A. Patterson of United Air Lines, Inc., appointed a committee, consisting of

four vice-presidents, to take emergency measures at all United airports to correct bad situations.

*Fortune* summed up its findings as follows:

The greatest asset of the air lines is the American faith in the air. . . . The best way for the air lines to keep out of hot water is for them to run their business better.

To the credit of the air lines it may be said that a conscientious and concerted effort put forth to better the conditions mentioned in *Fortune* soon began to produce excellent results, and improvement became marked in a few months.

#### THE CONSUMER MOVEMENT

The biggest supporting public with which business has to deal comprises the whole population—the American consumers. The consumer public has always been somewhat nebulous, but of late years it has taken on a semblance of organization, has grown steadily more vocal, and has shown itself capable of purposeful action. Out of the depression of the thirties came the consumer movement, which manifested itself in such organizations as Consumers Union and Consumers' Research, Inc.

Business soon found itself under fire from every angle. The value and quality of its products—particularly brand-name products—were questioned. The whole conduct of business was made to seem inimical to the consumer and the consumer's interest. Advertising was criticized for leading people to buy things they could not afford and for increasing the selling price of goods. National legislation was passed giving the Federal Trade Commission power to restrict false and misleading advertising.

The consumer movement ebbed in strength as the nation drew near war and prosperity returned, but it by no means disappeared. It merely has lain dormant awaiting new events and conditions to revive it.

Criticism of advertising is still one of the chief manifestations of the consumer movement. Business has sold the public many useful things through advertising, although it has failed apparently to sell the institution on advertising itself. Probably adver-

tisers in the beginning underestimated the consumer movement. Yet today advertising has not thoroughly cleaned its own house. Despite the valiant efforts of many in the advertising fraternity to promote truth and dignity in advertising, the consumer is still exposed to the shallow appeals from the purveyors of some commodities.

There are still other threats to business growing out of the consumer movement: the rise of consumer cooperatives, the expansion of government agencies to aid the consumer, and the constant demand for informative labeling of goods and a comparative analysis of competitive merchandise. The consumer always wants information that will lead to wiser buying and the more effective use of the articles purchased. Business must take heed of these factors if it is to prosper under the system of free enterprise.

#### MEETING THE CHALLENGE

The chief public relations hope of business in stemming unfavorable aspects of the consumer movement seems to lie in the establishment of better consumer services and the promotion of consumer education. The development of organized instruction and training in home economics in the high schools, colleges, and even the elementary schools has made many housewives students of consumption.

Much has been heard about the efforts of business to use the schools for propaganda, but very little has been said about the very constructive work that is being done. Paul H. Nystrom, professor of marketing at Columbia University and an authority on the economics of distribution, said in answer to a question propounded in the course of the American Council on Public Relations in New York City:

I don't suppose that there is a home-economics department in the country, certainly not many of them, that is not getting a very great amount of help and cooperation from local retailers, from wholesalers in some cases, and from manufacturers—help in the form of merchandise information, merchandise samples, moving-picture films, slides, etc. There is a very extensive amount of this kind of cooperation. In

fact there are special agencies that attend to the distribution of such aids so as to get them to the teachers who can use them. In trying to discuss fairly what is being done by business in the way of public relations one shouldn't overlook this very extensive activity that has been carried on for many years and is being done very well indeed.

Another step in the right direction is the action of many newspapers and magazines, particularly home periodicals that go directly to the housewife, in setting up home-economics departments and pages with news and special-feature articles on consumer subjects. Scores of radio programs are devoted to consumer economics, and the movies often exercise an indirect, if not direct, influence on consumer problems. Since *Good Housekeeping Institute* was established some years ago, there has been a rapid development of merchandise testing through rating bureaus.

Of particular importance has been the organization of women's clubs and other groups into units to study consumer problems, formulate policies, and take necessary action. Working with such groups, business has gone far in explaining its program and obtaining cooperation. The Borden Company some years ago organized a series of 2-day tours of its country and city milk operations for 575 representative members of women's groups to learn firsthand the complete Borden milk operation from dairy farm to doorstep. No publicity was given the tours since it was felt that the sincerity of their purpose might be questioned.

Bonwit Teller, Inc., one of New York's leading stores, formed a Consumers' Advisory Council a number of years ago, composed of half a dozen customers representing all types of accounts—large and small. This council—now larger and with a changing membership—enables the store to learn what its customers want in the way of goods and services. Bonwit Teller did not publicize its council for a year after it began operation, and it is very little publicized today. The Hoover Company, manufacturers of Hoover Cleaners, conducted a short course to bring the company closer to teachers in departments of home economics in colleges and universities and to editors of women's publications.

L. Bamberger & Company of Newark, N.J., established a

Bureau of Standards in 1936 to maintain its quality of merchandise, to disseminate technical information concerning products, and to act as a court of appeals for customers dissatisfied with merchandise performance. One step was to improve informative labeling on its own merchandise as well as to encourage and work with manufacturers in improving their labels.

#### THE PROBLEMS OF RETAILING

The 2 million retailers of the United States seem to be in for a number of public relations headaches in the next few years. A shortage of goods combined with lack of help during, and immediately following, the war set the retailer back. In the postwar period the same shortages existed while the help problem was complicated by constantly rising wage scales.

True, under conditions of scarcity the consumer took what he got and liked it; turnover was accelerated, and selling expenses ordinarily declined. The day has come, however, when supply is beginning to catch up with demand, and the retailer is finding it harder to satisfy his customers. Operating expenses are up above normal. The markup on goods will have to be greater than ever to yield even a small margin of profit to the average retailer.

The 85 and 40 per cent markup has never been popular with consumers, even though it is a necessary requirement in profitable retailing. The Twentieth Century Fund study "Does Distribution Cost Too Much?" revealed that 59 cents of the consumer's dollar goes for costs of distribution, leaving only 41 cents for production.

How will retailers meet this public relations dilemma? Victor Lebow, in an article in *Harper's Magazine*, indicates that expansion of the self-service store is one way to get at the problem. The Walgreen Company drugstores have been experimenting with self-service. The W. T. Grant Company has a self-service junior department store in Glen Cove, Long Island. The Philco Corporation is introducing radio parts supermarkets in a number of cities.

Another more significant movement, according to Mr. Lebow, is the establishment of cooperative wholesale companies by independent retail outlets in order that the latter can better compete

with chain stores. In the department-store field some of the bigger stores are joining in group-buying programs, especially on such items as radios, vacuum cleaners, refrigerators, washing machines, and air-conditioning equipment. The mail-order houses are expected to meet this competition by expanding their retail outlets. Mr. Lebow sums it up:

Drugstores, supermarkets, newsstands, variety stores, department stores, cigar stores, and filling stations are all "heavy traffic" retailers, and all plan to encroach on the domain of other outlets. . . . What will emerge from this apparent chaos is the conclusion that any retailer who wants to stay in business will either have to offer some specialty to a fairly restricted group of customers or adapt his store to the trend toward mass distribution.

A consumer education and service program is suggested by some authorities as a means of improving relations with customers. Through education retailers could tell the whys and wherefores of markups and try to convince consumers that during the wartime emergency they had tried unceasingly to supply consumer needs as well as to contribute heavily to the war effort.

It is the policy of many stores to allow residents to pay gas, light, and telephone bills across their cashiers' counters, to construct auditoriums in their buildings where shows or entertainments can be presented and where local organizations can meet, and to provide an indirect service such as the organization of classes to teach salespeople how to meet the public.

#### SUPPLIERS AND DISTRIBUTORS

Establishment of cordial relations with suppliers is a comparatively recent development in the retail field. A large Chicago mail-order house announced that it would give counsel to any manufacturer who wished to make his operation more efficient or to coordinate his production more closely with tested consumer demands. One of the nation's leading food chains set a new policy of according smaller food producers and processors the same marketing opportunities that large firms with established, nationally distributed brands enjoy. Currently, many re-



tailers are working closely with manufacturing sources on market-research products to determine what goods the public wants at what prices it wants to pay.

From the manufacturers' end the object is to see that wholesalers and retailers do a good distribution job in the uneasy days ahead. Walter Mitchell, Jr., assistant to the president, Dun & Bradstreet, Inc., at the Eighteenth Annual Conference on Distribution held in Boston late in 1946 urged manufacturers to study their present distribution channels with a sharp eye, lest they leave themselves exposed to a flank attack. He cited the shrewd policy of the Reynolds Pen Company in giving its distribution job to wholesalers, who had been slighted by the well-known fountain-pen manufacturers, and thereby gaining wholesaler co-operation.

In recent years the National Wholesale Druggists Association has concentrated on research. Its 1946 reports included studies on the training of sales forces, reducing handling costs, packaging, elimination of warehouse bottlenecks, and general management policies. Much of this research came out of fellowships, which the association underwrote, to graduate schools working in the field of distribution.

The Institute of Carpet Manufacturers of America (New York) put on an impressive "merchandising clinic" in Los Angeles to teach retailers how to use harmonious color combinations scientifically. The RCA Victor Division of the Radio Corporation of America set up a big exhibit at the National Association of Music Merchants convention featuring "fingertip control" of merchandise, whereby dealers could learn good buying practices, inventory control, maintenance of sales and other records, and generally how to reduce costs and increase profits.

From the discussion in this chapter, it is easy to see how closely the problems of consumer-supplier-distributor relations are tied up with advertising and merchandising. Perhaps as Mr. Faught and Mr. Young, quoted at the beginning of this chapter, contend, it is time to end the debate of advertising vs. public relations, of calling one the tool of the other. The writers of the *Tide* article say:

The fact is that neither is a tool of the other but only of the business they serve; as such they should conform with every policy that business has—whether the policy concerns accounting practices, engineering standards, labor affairs, or whatever. . . . Already enough mature perspective is beginning to emerge and to be reinforced by experience among ad men, public relations men, and members of company management, so that individuals in all three ranks have decided it's time to stop fiddling in discord, and instead to man the pumps together before the economic system in which all function goes up in smoke.

#### BANKERS AND CUSTOMERS

Banks have been leaders in community relations; likewise they have developed a high standard in customer relations. The American Bankers Association started courses for bank personnel and issued a wealth of literature on the subject of constructive customer relations. A few excerpts from the course built by Milton Wright, business writer, and William Powers, director of customer relations for the A.B.A., will indicate how far bankers have traveled since the dark days of the early thirties when their public relations was at the lowest ebb.

The bank can succeed **only** if it is doing business with people who succeed. The bank must **help** people succeed. It must identify itself with the interests of the businessmen. . . . It must create conditions that make more business for its customers. It must inspire and lead business development.

Before people will do business with you, they must be sufficiently impressed with the desirability of doing it. They are impressed by your appearance, your manner, your talk.

The more you know about your bank, the more convincingly you can talk to a customer or prospective customer. Your knowledge is not complete unless you know the operations that make the services possible.

How good a detective are you? Can you see an opportunity for new business when nobody calls it to your attention? If you can, you may set in motion a selling effort that will result in a profitable account. . . . Circumstances like these may provide the clue: an extra large withdrawal; an exceptionally large deposit; deposits made with puzzling and unusual irregularity. . . .

Your customer is willing to pay a service charge—provided he understands it. Before you can explain it to him, however, you must understand it yourself. You must know two things: (1) why the charge is imposed and (2) how it is estimated.

The fact that some people pay lower rates than others gives rise to accusations that the bank is guilty of unjust discrimination. Because the bank is a semipublic institution, that accusation must be refuted. You must explain completely and convincingly why the bank has variable rates.

If an objection is based on an old experience, go back and untangle the snarl. Then show [the customer] that the former causes of annoyance, inconvenience, and loss no longer exist.

You can refuse a loan request and still keep the good will of the would-be borrower—if you make it clear that your attitude is one of helpfulness. . . . If necessary, go beyond the confines of strict banking procedure to help the applicant whom you refuse. . . . Keep in touch with him; he may be a worth-while customer some day.

If the business that has been built is to stand, the customers must remain sold on the bank. Grievances must be guarded against; they must be discovered early, handled promptly and diplomatically, and steps taken to prevent their recurrence. Sometimes the bank itself is in the wrong.

Subject to assignment, adopt a limited number of customers as your own and try to know them as well as they know themselves.

The world won't beat a path to your door in the wilderness in order to hand you business. You must be one of the crowd. Take part in community activities. Be active in worth-while groups. Give people an opportunity to know you, like you, and estimate your ability and usefulness.

Building business is a never-ending process. Getting a customer on the books is but the prelude to keeping him there and adding to the services you give him.

#### RELATIONS WITH STOCKHOLDERS

There are nearly 15 million stockholders in the United States, and, although they represent only about 10 per cent of the population, they are a potent minority so far as the conduct of business is concerned. Shareholders who are satisfied will help boost the

products and services of their companies; they also are a source of constructive suggestions and criticisms for management. On the other hand, business knows what damage can be done by the suspicions or indifferent shareholder. Stockholder attitudes, therefore, are primarily a public relations concern.

In the thirties when business was under attack, many corporations set out to improve their stockholder relations by setting up special departments or retaining independent public relations counsel to provide stockholder programs. The result is that the stockholder has been given very special attention and today can find out about anything he wants to know. Each year he gets an annual report, often a very beautiful document, profuse with illustrations, carefully prepared, and painstaking in its effort to make everything clear.

In addition he is the recipient of many special services. His inquiries or complaints are answered promptly. He receives a steady flow of booklets, pamphlets, digests, house organs, or other literature bearing on his investment. He can read in the press and his trade publications the news releases of his company. Advertising is often keyed to him. He may be invited to give his opinion on the policies of the company or be offered special favors ranging from merchandise gifts to assistance in disposing of stock.

Successful relations with the shareowners of a corporation, however, depend on more than publicity and promotion. The fundamental policies of the corporation must be right. Mr. Smith, of *Financial World*, in the article quoted at the beginning of this chapter says:

Many plans and techniques have been developed during the past decade to build and maintain stockholder good will, but those regarded as successful have been applied only by managements that could withstand the full light of day on past records—where the officials were sincere and progressive, and employees were adequately paid, and working conditions were satisfactory. If a corporation does not have its house in order, a good housecleaning will be the necessary prelude to the initiation of any program to foster shareholder confidence.

Mr. Smith indicates that poor stockholder relations in any firm are often revealed by the dumping of stocks and sharp price declines on any sign of market weakness, whereas many small companies with the friendship of their stockholders enjoy a firm market for their shares even in the face of sharp selling.

#### SURVEY OF STOCKHOLDER RELATIONS

A most revealing report on shareholder relations prepared by Verne Burnett, public relations counsel, in cooperation with the Association of National Advertisers and the *Journal of Capital* was issued in the summer of 1947. The report confirms in detail what many have been suspecting: despite long strides over the past decade, U.S. management as a whole still does not make use of modern techniques in keeping its shareholders informed. Says the survey:

We believe that it can be inferred—fairly—from this study that among the tens of thousands of American corporations, a company that has an enlightened, carefully considered, and well-rounded program of stockholder relations today is really the exception.

The conclusions were based on a comprehensive questionnaire answered by 100 companies (representing  $3\frac{1}{2}$  million stockholders), chosen because of the excellence of their annual reports, yet there were many inadequacies. All of them, says the survey, recognized the annual report as a public relations tool by sending theirs to publications, labor organizations, educators, and brokers in addition to their stockholders. Likewise 75 per cent had designated some executive or department to supervise stockholder relations. The majority also send printed material (newsletters, speeches, and the like) besides reports and dividend enclosures.

But, the survey declares, the companies fall down in other highly important respects. For example, few acknowledge receipt of signed proxies. Just one firm had checked to find out how many of its shareholders own stock in other companies. Barely a third placed financial or investor advertising designed to attract the interest of potential stockholders. Fewer than half encourage their shareholders to buy—or boost—company products. Only half

of the companies send out welcome letters to greet new stockholders, and 22 of them only began the practice since 1910. Only 12 take the trouble to send letters of regret to former stockholders when the latter sell their stock.

The survey points out that stockholder criticism has declined in recent years, owing to more enlightened stockholder relations and improved dividends. But *Business Week* asks the question, if dividends begin to fall off, will management use its new tools to stem a rising tide of stockholder criticism?

#### SERVICE TO INVESTORS

The public relations job in the stockholder field begins with the make-up of the board of directors. Although directors are supposed to be chosen by the stockholders, the inability of the latter to attend annual meetings except by proxy gives management, in most cases, the power to name the members of the board. This power can be misused and even abused.

From a public relations viewpoint, therefore, it is important to see that make-up of the board is broadened to cover all types of investors and as many fields of activity as possible. The members should be acceptable to the stockholders and represent all the principal interests with which the concern does business. Moreover, it is good public relations to have directors at the annual meeting where they can meet those stockholders who are on hand.

Attention to the annual report comes next. In commenting on 65 representative annual reports for 1944, *Printers' Ink* noted:

Although more than two-thirds of the reports are attractive from a production standpoint, less than half are inviting from the viewpoint of editorial content. Only nine or ten can be considered both well balanced and outstanding. Yet it seems that these reports as a whole are a vast improvement over those of previous years.

Since most companies are willing to make their reports public, the student should be encouraged to write for copies from some of the outstanding corporations in the country and study them. Many have attractive titles, such as: "Toward Better Living" by

American Home Products Corporation; "All the Children" by the schools of the city of New York; "Living Together in Our City" by the Community Chest and Welfare Council of San Antonio, and "How We Did in 1944" by the Michigan Bell Telephone Company. Many are graphically illustrated to make financial statements as simple as possible and filled with photographs of company operations.

The glamorization of stockholder reports has led a majority of corporations to issue equally and often more attractive reports of their activities to employees as well as to the general public. Sometimes these reports are combined; more often they are not because they reach different groups of readers.

Next to the annual report, the handling of stockholder correspondence should receive first consideration. Among suggestions along this line are letters of welcome to new stockholders, signed by the president or chairman of the board; prompt answers to inquiries; quick attention to complaints; eagerness to render further service; and letters to stockholders who dispose of their holdings, expressing the hope they will again become shareholders of the company at a future date.

In releasing financial publicity special efforts should be directed to uncovering news of interest to stockholders about key executives, new policies, and operations of the company. Close relations should be maintained with financial writers of the various publications and their wants quickly served.

## Chapter 11

# Business Moves Ahead

---

---

Amid all the grimy details of business there shines out a beacon light of service to men, which is exceeded only by the service of parents to their children; and, I believe, that service is quite unequalled in accomplishment by the work of churchmen, politicians, and teachers. We accept business just as we accept the return of light after the night. If we could only lose business for a season (and survive), we would acquire a greater understanding, and the public would become more receptive to suggestions for improved public relations.

PROFESSOR N. S. B. GRAS, Harvard Business School.

Business today is dependent for continued progress on the favorable reaction of the public toward its policies, objectives, and practices. The major function of the public relations department is to guide and assist the company in winning and maintaining popular support, both for itself and for industry generally.

From a booklet issued by the du Pont Company.

### THE DANGER OF SPECIALIZATION

In a survey the Opinion Research Corporation found that business, generally, plans to increase its public relations expenditures greatly in the years ahead. Eight out of ten companies with public relations departments were planning to increase their public relations budgets and three out of every ten companies interviewed which had no public relations departments planned to create one. Another survey by the *New York Journal of Commerce* also discloses that there is a movement toward a higher degree of specialization than in the past with practitioners concentrating on relations with government, with consumers, with stockholders, and



other specific publics. *Business Week*, in an editorial, views the first development favorably but is disinclined to go along with the trend toward specialization.

The magazine holds that excessive specialization is one of the troubles with the public relations of American business and industry already, and that further separation of these activities from the over-all business and industrial operations will send management riding off in all directions. Moreover, specialization tends to emphasize the superficial aspects of public relations rather than the deep-rooted problems.

Says *Business Week*:

Just as a great musician can sometimes make even a scrubby composition sound quite well, so a superlative master of public relations can no doubt put an attractive veneer on a policy or program that is not as good as he makes it seem. But the veneer will defy only briefly the proposition that a *public relations program can be no better than the basic business and industrial practice with which it deals.*

Again, we find an authoritative source stressing the significance of policies and conduct as the key to good public relations. But equally important, in the authors' opinion, is the insistence on making public relations an integrated whole in dealing with all publics rather than splitting its various activities into specialties. True, the industrial relations and merchandising departments in most business institutions today are divorced from the public relations department, but we find a close liaison existing among them. A further disintegration, it is believed, might eventually lead to a hopeless diffusion of effort.

Before bringing to a close the discussion of business public relations, which has been the subject of the last few chapters, the authors offer another series of brief case studies to illustrate successful over-all public relations. These examples not only point up the trends in business relations today but should furnish the student with fruitful material for discussion, criticism, and recommendation.

## GENERAL ELECTRIC LOOKS AHEAD

Although General Electric was one of the large corporations tied up by a strike early in 1946, it was pointed out previously that the company did carry on a highly intelligent corrective public relations program during the crisis. It is also true that despite the strike GE has been a leader among business institutions in long-range planning.

Twenty-five years ago, the General Electric Company had become a huge organization through the mergers of many heterogeneous plants, but it was not doing too well public relations-wise. Even within the organization there was an unhealthy rivalry among the various units. Labor was complaining of conditions in some of the plants; stockholders were uninformed of what was going on; and the general public was beginning to view the corporation with an antitrust eye.

Owen D. Young, new head of the company, was forced to take the witness stand and substantiate charges of monopolistic activity and excessive royalties. Young and his associates realized that the public relations of the corporation was in a bad state and that something had to be done about it.

The company began a long series of advertisements in magazines throughout the country—advertisements that told in human terms what the company was doing. The cumbersome name General Electric Company was reduced to plain General Electric. The public became interested in the romance of electricity and the experimental work being done. Relations within the organization were greatly improved, and pride and cooperation became symbols of increased efficiency.

The public relations activities as outlined by a representative of the department show a great awareness of the general problem. The goals as defined are:

1. To build an understanding of the policies and objectives of our Company on the part of the general public; in a way, to create an identity and personality for the Company.
2. To provide all its employees with every bit of information possible about the policies which the Company has established.

its place in industry, its products, and its programs for employee education and security.

3. To present a coordinated program to potential customers about our products.

4. To keep all company representatives, whether they are on our payroll or on those of distributors and dealers, informed about our policies and products so that they will represent the organization intelligently, and . . . with some pride in being associated with it.

5. To maintain an attitude of understanding and good will toward the Company by the members of communities in which we employ people.

Activities of the department include preparation of all material for the stockholders, for campaigns to the youth of the country, for institutional campaigns to the general public, and for employee relations programs. In addition, it has the responsibility for operating the broadcasting stations which the company owns in connection with its development of radio equipment. GE was a pioneer in broadcasting and one of the first users of movies. It has long been a heavy national advertiser and has used many other public relations techniques such as direct mail, traveling shows, exhibits, etc.

The company has a liberal pension plan for employees. The General Electric Educational Fund, established in honor of two of the company's great executives, Charles A. Coffin and Gerard Swope, has been widely used for scholarships and research in the development of electrical science. As an example of alert policy making, the company announced that every GE appliance—toaster to washer—would be sold at the same price to consumers in all parts of the United States.

#### THE STORY OF WESTINGHOUSE

Westinghouse, another giant in the electrical field, has made its public relations department a vital cog in its operation. The philosophy of Westinghouse Electric Corporation is well presented in a little booklet entitled "The Public Be Pleased." Says the booklet;

Why do we need good public relations? One answer is: it helps sales. It's the plowman who prepares the ground for the seed. Product advertising plants the seed of customer interest. The salesman cultivates and harvests the sale. Far more important today is the fact that *a company's life depends upon the public's good will.*

Westinghouse directs its public relations program to 80,000 employees; 60,000 stockholders; its neighbors in plant cities; its customers and suppliers; its special publics such as educators, science groups, churchmen, students, and government agencies; but more particularly to "the 140 million people we must satisfy if we want to do business in the U.S.A."

The company recently started an employees' information program to build up a better understanding within the organization. Stockholders receive annual reports, quarterlies, interim reports, and letters in addition to their dividend notices and checks. To nurture community relations, the company runs plant inspection tours for educators, ministers, and other groups. As for consumers, the company stresses quality of its products, fair pricing, their availability, the reliability of delivery service, and the fair dealing of salesmen and the distribution organization. In communicating with the general public, the company draws an important distinction:

Advertising is, of course, an essential and very important public relations tool. But since it is aimed primarily at mass sales, it is concerned chiefly with products. The work of the public relations group in our Company has to do more directly with *the ideas and ideals of the Company.*

Among the means used in distributing information to the public are: the general publicity department each year prepares about 1,000 news releases; the technical press service prepares or edits stories and technical engineering manuscripts; a science radio program is produced each week and distributed as records to more than 150 radio stations as a public service program; institutional motion pictures are viewed each year by approximately 60 million persons in high schools, churches, and service clubs.

The public relations department edits and distributes a num-

ber of publications for specialized audiences. Westinghouse also sponsors several youth activities through the Educational Foundation, including the annual Science Talent Search for the 40 outstanding science students in high school classes, and the 4-H Club Better Methods Electric contest, which educates rural audiences to the benefits of electricity on the farm.

Some fifty different teaching aids on science and home economics are distributed to the schools. Each year \$2,400 Westinghouse Grand Science scholarships are awarded to the young man and woman winning the annual competition; eight additional scholarships valued at \$400 are also set aside, and the judges may award up to \$3,000 more.

#### A LOOK AT STEEL AND OIL

Authority for administration of the public relations program of United States Steel Corporation is vested in the chairman of the board. J. Carlisle MacDonald, as assistant in charge of public relations, carries out the actual work but works in close consultation with the chairman and other officers of the corporation and its various subsidiary companies. Mr. MacDonald says:

We define public relations as "the creation and carrying out of broad policies that will be reflected in favorable public opinion." We feel that the emphasis should be properly placed upon *the things we do*, the decisions by management, and their execution by those who comprise the organization.

The size of the corporation necessitates a large organization to administer and execute its public relations activities. Like General Motors, there is a decentralization of public relations offices, and hence they may more closely cooperate with local producing operations. Each of the principal operating subsidiaries of the corporation has public relations representatives that work in cooperation with top management at policy levels. In some cases, as in Pittsburgh and Chicago where more than one company operates, public relations activities are under a district director. There are 12 public relations offices throughout the country.

U.S. Steel makes a close study of trends in public opinion

through its own staff, its subsidiaries, and reliable public research organizations. Its research is also turned outward. Under the supervision of a director of research public relations, a staff is maintained in Pittsburgh to consult with technical and research experts for the developing of articles for trade publications.

Standard Oil Company (New Jersey) did not activate a public relations department until 1943, but the same emphasis on policies as the foundation of good relationships is apparent. Stewart Schackne, assistant manager of the department, writes:

Although we believe that the dissemination of factual information is important, it does not represent the whole of public relations work. It seems to us that good public relations depends importantly on public confidence, and that public confidence results from acts which are noteworthy in the public interest. Since the major acts of a corporation are performed by management or result from policies adopted by management, in the last analysis management is responsible for public relations.

The public relations department of the New Jersey company is a staff department, primarily serving the management of the parent company but also acting in a service and advisory capacity and as a central source of information for the various affiliates. Also it acts on occasion as the "voice" of the company. Mr. Schackne says. Management deliberations and decisions, therefore, may be made on a basis of adequate current information and the best possible forecasts.

U.S. Steel and Standard Oil both have employee relations departments separate from public relations, but in both cases where activities or objectives of the two departments impinge or overlap, any proposed action is discussed, planned, and cleared by interdepartmental conference.

#### A STUDY OF DU PONT

In the great organization of E. I. du Pont de Nemours & Co. Inc., the responsibilities of the public relations department are defined as (1) advising and counseling management on business matters that have public relations aspects, particularly as they

bear on the formulation of policies, and (2) promoting public understanding of the company's aims and activities through adequate information. The importance of the first responsibility is emphasized by the company when it says:

The actions of industry or any of its component parts must be integrated with public policy if they are to gain acceptance. To this end the department analyzes public opinion applying to the company and to business and is concerned especially with long term trends. Policies are reviewed continually, and management at all levels is kept advised as to probable public reaction to present or contemplated practices.

Du Pont takes literally its responsibility of supplying the public with adequate information with emphasis on the contributions of industry to the nation's welfare. The wide scope of its public relations department activities are indicated in the brief review that follows:

1. The department serves as the company's liaison agency in dealing with the press. Through assignment of staff members to industrial departments it performs similar services for each of the company's operating units, except as they originate in plant communities.

2. The department assists with plant community matters through a field program designed to aid plant management in analyzing public relations situations and applying appropriate measures where indicated. This work is intended to correlate over all public relations policies with local policies.

3. The public relations department seeks, by supplying material to plant publications and by other means, to keep employees informed of company policies and developments. Facilities to provide specialized services in this field, including the recruiting of personnel and development of employee morale programs, are available to operating departments.

4. Other services include assistance in preparation of pamphlets, articles, speeches, motion pictures, and exhibits and of special reports to stockholders, employees, and government agencies.

5. The department circulates within the company a monthly

analysis of news comment as it relates to du Pont, based on newspaper and radio material published and broadcast throughout the country. It also publishes the *Du Pont News Bulletin*, a monthly that summarizes company developments for the benefit of salesmen and customers, and the monthly *News Letter*, devoted to personnel changes and items.

6. Staff members of the department's extension division speak frequently before civic, educational, and women's club audiences and to plant groups within the company, stressing the contributions of scientific research. A particular interest of this division is agriculture. Company developments in the farm field are circulated among agricultural extension workers and farm publications. The division also publishes *Agricultural News Letter* for persons interested in agricultural research, extension work, farm chemistry, and teaching; and *Chemistry in the Home*, a news bulletin addressed to home economics specialists, extension groups, demonstration leaders, and women's publications. The department operates an office in New York City that serves as a point of contact between developments in the field of women's fashions and the home.

#### TWO GREAT BANKS

Public relations for the Bank of America is not simply delegated to a department of that name and the responsibility lifted from other departments and employees. When high policy is involved, a public relations committee composed of senior officers of the bank representing all departments meets to discuss it. At the other end of the scale, officers and employees are trained through a Standard Practice Manual to be living examples of good public relations.

Bank of America has set up an elaborate program, including a business extension department to provide expert financial assistance to customers; a continuing public opinion survey through a national polling organization; a strong advertising and publicity service; and publication of a large number of pamphlets and other literature relating to the bank.

Yet there is no greater living public relations force behind any



concern than the man who founded and is "boss" of the Bank of America—A. P. Giannini. John L. Cooney vividly describes him in an article in *Coronet*:

Mr. Amadeo Peter Giannini's office is about as private as Grand Central Station, and he sits out in the open where anyone can see him. He answers his own phone and uses plain language. He rides the streetcars, lives in the same house he bought 40 years ago and bristles like a porcupine when anyone calls him "Mister." Furthermore, he loves people. And to the everlasting astonishment of the die-hards in the cold and metallic world of money, this California rebel remains the world's unique banker, a man admired by 10,000 men and women employees in a fabulous institution—California's Bank of America.

The story of Giannini's rise from a boy of poor immigrant parents to leadership of the biggest private bank in the world is told in *Time* magazine of Apr. 15, 1946. In that story the student will read about the "ego, intuition, ambition, and capacity for work" that pushed Giannini up the ladder in spite of his enemies in Eastern financial circles. It is a queer sort of public relations that Giannini used, yet who is to say what the rules are? Henry Ford also had his idiosyncrasies.

Chief rival of the Giannini organization in size is the Chase National Bank of the City of New York. The two have been vying for some years past for leadership in total deposits. Chase has all the banking services of its Western rival, if not more, issues a wealth of literature on banking and general subjects, and advertises and publicizes itself quite as widely.

Behind Chase, too, is a well-known public relations personality—Winthrop W. Aldrich, chairman of the board of directors. Aldrich's activities are not so spectacular as those of Giannini, but his long career of service as an executive of various civic organizations and his capabilities as a public speaker before business audiences have brought his bank wide recognition.

#### THE FABULOUS MACY'S

The world's largest store under one roof is bounded by Seventh Avenue, Thirty-fourth and Thirty-fifth Streets, and Broadway in

New York and rises 20 stories above the sidewalk. Through its doors an average of 150,000 shoppers enter every day, looking for everything from groceries to high-priced furs and even prefabricated houses. There is hardly an item to fill consumers' material wants that Macy's does not carry, and each year over 150 million dollars' worth of merchandise is sold over its counters.

Besides operating several branch stores in the New York area, R. H. Macy & Company, Inc., has the L. Bamberger & Company store in Newark, N.J.; the O'Connor, Moffatt & Company store in San Francisco; the Lasalle & Koch Company of Toledo, Ohio; and the Davison-Paxon Company of Atlanta, each of them with branches operating or planned. The New York store, however, is the leader.

Probably the best illustration that the authors have found of how policies and conduct guide a firm's public relations is contained in a booklet put out by Macy's of New York for its 11,000 employees, entitled "*A Statement of Policy.*"

Macy's proclaims its three basic merchandise objectives as (1) low prices, (2) wide assortments, and (3) good quality. In support of the first objective, the store quotes its own advertised price policy: "We endeavor to have the prices of our merchandise reflect at least a 6 per cent saving for cash except on price-fixed merchandise." In support of its second objective: "Our assortment of merchandise in the middle price ranges must be the most varied and deepest in our trading area." In support of the third objective: "It is Macy's policy to offer the best possible quality, price for price."

The booklet then expounds the store's service objectives in the true public relations manner:

*There is no substitute for the good will of our customers. Their merchandise needs and desires must be met, but even goods properly selected and priced, displayed, and advertised, of themselves never made a great store. Our standard of service must merit and maintain customer good will.*

Other policies set forth in the booklet are quoted in part:

Macy's has long recognized that its greatness as an institution depends upon its personnel. A pioneer in the retail field . . . the store has maintained its lead in the development of good employee relations.

Relations with unions, as with individual employees, have been marked by full appreciation of the right of employees to bargain collectively through representatives of their own choosing.

Continuing successful business relationships should be mutually profitable to both our resources and to Macy's. We desire to treat all our suppliers fairly. The small vendor is entitled to the same courteous attention as is his largest competitor.

Macy's maintains a constant interest in all undertakings that affect the general welfare of the community—whether they be cultural, educational, philanthropic, civic, or business. . . . It is our aim to make our contribution in this direction so that Macy's may continue to be not only a great store but a useful community institution.

The authors have quoted freely from this booklet because it shows how policy sets the base for a corporation's relations with all its publics. Without sound policies the best publicity and sales organization in the world cannot make a great store. Macy's is more than a great store. It is an American institution.

An outstanding feature of Macy's is its Bureau of Standards that tests all goods sold or to be sold in the store for the protection of its customers. In 20 years, this bureau has made more than four million tests. Moreover, the bureau checks every advertisement before it appears so that no misrepresentations are made. Roger William Riis in *Advertising & Selling* describes the bureau as "the corporation's conscience," as well as "the consumer's own technical expert." Rejections of articles by the bureau have often broken the hearts of enthusiastic store buyers, but the policy over the years has paid off in sales and in public relations.

## Chapter 12

# The Trade Associations

---

---

The trade association movement, its success—its very life—is dependent upon *public service leadership*. Acceptance of such an obligation should be absolute in all basic trade association policy. Furthermore, it must of necessity permeate the thinking of the entire active membership. The era of postwar reconstruction and reconversion will lend emphasis to this fact.

RICHARD McDOWELL, director of public relations, American Transit Association, *Public Relations Directory and Yearbook*.

Knowing our business, being able to explain it, getting along well with people, participating in trade activities, being a good honest citizen, giving time to civic affairs of the community, being respected by our neighbors, and being a good American—this is Public Relations in Action.

From a pamphlet published by the American Association of Small Loan Companies.

### AN EXPANDING ACTIVITY

Estimates vary widely on the number of trade associations in this country, but the Department of Commerce is authority for the statement that there are now 16,000 national and local trade associations and chambers of commerce. An *Advertising Age* poll of several hundred national and sectional trade groups led that weekly to estimate that in the postwar era at least 20 million dollars a year would be spent in industry-wide promotion activities, excluding the advertising of cooperative grower organizations as well as the advertising of tourist and travel bureaus, chambers of commerce, etc.

As the editorial pointed out, an association of industries can

work more effectively for common objectives than an individual firm. However, the editorial went on to say:

At the same time, those most familiar with industry-wide advertising and public relations efforts have discovered that it is almost never possible for the industry-sponsored campaign to do the whole job. Only a combination of industry-wide effort, plus individual effort on the part of various factors in that industry, seems to have the qualities that make such campaigns effective. . . .

Too often heretofore the contributor to an industry advertising or public relations campaign has substituted the industry effort for his own, reducing his individual promotion in direct proportion to his contribution to the industry campaign. When this course is followed, it is almost certain to prove unsuccessful. Industry-wide advertising serves its most useful purpose and succeeds best when it is used as a backdrop for intensive, intelligent, and sustained promotion on the part of the individual members of the industry.

The rapid expansion of these associations since the First World War, when the government appealed for help on an industry-wide basis, has opened a wide field of opportunities for the potential public relations executive. The student can well afford to write for samples of literature and make a study of some of these association programs.

#### INTERNAL PUBLIC RELATIONS

It is obvious that the real strength of any business federation lies in its internal organization and its relationships with its own member firms. Among first considerations, therefore, in setting up a public relations program are:

1. That the executive head of the association recognize the importance of public opinion as a controlling force in public relations and that he begin his program on a policy-making level.
2. That an adequate budget and a competent staff be set up to administer the program.
3. That full provision for membership participation in the program be made through a public relations committee of top executives, particularly those with an understanding of the prob-

lems, who also will act as advisers to all committees of the organization.

Mr. McDowell, in his article in *Public Relations Director*, 442 *Yearbook* (see quotation at the beginning of this chapter), sets forth the primary activities that an association should carry on within its own membership. Briefly they are:

*Membership.* An association doing a real job should never have to plug membership—for what enterprise can afford to be without such membership? There alone is the test of association effectiveness.

*Basic Information.* The statistical background of an industry is an essential public relations tool. . . . Therefore, it is important that an association enjoy the confidence and cooperation of its members in the collecting of confidential material for statistical analysis.

*Industry News.* Specific news of the industry, both of events and personnel, with particular emphasis on the outside influences affecting the industry is a "must" in association service. . . . The news service should be fast, up-to-the-minute, interesting, complete, and if possible, self-sustaining. . . . On matters that cannot wait—even for publication in a weekly newspaper—wire or airmail bulletins should be used to supplement the news service.

*Labor Relations.* It is important that individual companies—and individual workers within each company—be able to compare their problems with those of the industry as a whole (in support of the general dissemination of information on labor problems).

*The Staff.* The attitude of the association staff will have much to do with the value and effectiveness of its efforts at internal relations. . . . Needless to say, an association being a service organization, each member of its staff in contact with the executives of the industry and the public should carry attention to detail, courtesy, promptness—whether in personal contact, by phone, or mail—to the degree where the industry's confidence in the staff becomes virtually absolute.

#### EXTERNAL RELATIONSHIPS

Before branching into a promotional program aimed at the public or publics outside the trade group, there is one service that an association should perform for its membership that can be an invaluable aid in projecting such a program. That is a survey of public attitudes toward the industrial or business group it repre-

sents. Obviously, an association is in a favorable position to carry on such a survey. It can be more objective in its approach since it has no particular firm in mind; it can get a wider range of opinion because it is surveying the industry as a whole; and it has the finances to employ a professional polling organization.

The next step also is inward, for it means a campaign of education within the membership to change business policies and practices that the survey shows are causing public ill will. To launch a program designed to show how a business operates in the public interest, before it can be demonstrably proved that such is the case, is backward planning and can lead to disaster. In connection with such surveys it should be pointed out that studies of employee attitudes as a whole are quite as important as polls of customers and the general public.

Again referring to Mr. McDowell's article, the following activities are listed as pertinent to external public relations:

*Cooperating with Public Groups.* A considerable part of any association's public relations should be directed toward making this matter of personal participation (in the activities of public groups) a basic part of national policy. Closely allied with this policy is that of arranging for industry or association executives to address such public groups on the relationship of the industry to the public welfare. A speakers' bureau, geared to bill speakers as well as provide them with basic material for presentation, is essential to this program.

*Preparing Promotional Material.* In approaching the public through the printed or spoken word—press, literature, radio—the use of competent professional talent is indicated. . . . The exchange of ideas between member companies as to copy and presentation will tend to coordinate the industry effort as a whole. The national committee on public relations will provide the clearinghouse for such exchanges.

*The Media.* Under this grouping is included relations with all means of public news dissemination—newspaper, trade papers, magazines, exhibitions, radio, public displays, etc. Not only should association executives be available to representatives of these media at all times and in a free and friendly manner, but a two-way liaison should be established whereby these news gatherers are periodically invited to address association meetings as well as staff meetings of individual member companies. Much of the industry's statistical background will be valu-

able here, for if properly organized, such material will establish the association as a general reference authority for the industry.

*Government Groups.* Government these days has gathered to itself more and more regulatory responsibility for both business and industry. Therefore, its requirements in terms of information alone have increased by leaps and bounds. Here is where association procedures really count.

Mr. McDowell's list might be increased to include relations with suppliers, with other organizations and associations in the same or related trade, with educational institutions, with opinion leaders, and so on, but it is obvious that association relations generally are not far different from those sought and maintained by individual business organizations. One final statement of Mr. McDowell's is significant:

Actually no association may ever be faced with the charge of "lobbying" if its statistical background is factually correct and freely offered before a defensive position is created.

#### 70 MILLION POLICYHOLDERS

The Institute of Life Insurance is a relatively young association of the life insurance companies of America, but it has blazed a bright trail of enlightened public relations. For more than nine decades individual companies had acted independently in their relations with the public, and while their record was good it became evident that a unified public relations program was needed by the life insurance business.

Holgar J. Johnson, president of the institute, sets forth the three primary objectives of the institute as follows:

1. To carry the story of life insurance to the American public through a central source of information for editors, writers, speakers, and the public.
2. To present the facts to management and portray the services of the agent in terms of the social and economic services of life insurance.
3. To find out what the public likes and wants from the insurance business and to propose ways in which the business may meet these public desires.



The third aspect, Mr. Johnson contends, is the most important. It is vital that business try to understand not only what the public thinks today but why they think as they do and further, to try to discover how they are going to think and act in the future. It is necessary, therefore, to collect facts, appraise, and form judgments upon which action can be based. Mr. Johnson also offers a definition of public relations that reflects a high type of thinking on the problem. He says:

Public relations is truly what it says—relations with the public—not just one segment of the public, but the various publics. It goes beyond the technical aspects involved in the dissemination of information and fundamentally suggests the readjustment of business through the functions of management to what is in the public interest.

In acting as a central source of information, the institute has carried on a wide range of activities. For some years the organization has made a study of annual statements of member companies and published a critique of them. Each month it publishes 22,000 copies of a bulletin called *Life Insurance and the American Public*, which is distributed among the companies and contains suggestions on improving their public relations. There is a constant flow of requests for information from the public by letter, by telephone, and by calls in person, which the institute tries to answer promptly.

The institute has also distributed 120,000 copies of its "Handbook of Life Insurance," 80,000 of which have gone to school principals, teachers, and students. Supplementing this work in the educational field are charts and other teaching aids as well as motion pictures.

Since women are the beneficiaries of 145 million policies and today are buying more than one-third of the policies, a women's division was established in 1944 that today is working with women's organizations throughout the country. A statistical department and an institute library are other important elements in the program.

In reaching the publics outside, the institute has made use of every available means of communication. The cooperative adver-

tising program carried in newspapers and farm journals throughout the country was effective in holding the line against inflation in 1944 and 1945. Publicity on life insurance was widely used in newspapers, magazines, and on the radio.

#### FIRE PREVENTION WEEK

Of the many special weeks set aside for this or that activity, none is observed more generally nor more intensively than Fire Prevention Week each October, sponsored by the National Board of Fire Underwriters. Each year the President of the United States issues a national proclamation calling for the week's observance, which is followed by similar proclamations of governors of states and mayors of cities. Chambers of Commerce, fire chiefs and marshals, and insurance agents join in conducting local campaigns. Boy and Girl Scouts, 4-H Clubs, state fire prevention associations, churches, women's clubs, and the press and radio cooperate.

Although the campaign is in the interests of the National Board of Fire Underwriters, there is little doubt that it performs a valuable public service as well. The National Fire Protection Association, the Chamber of Commerce of the United States through its National Fire Waste Council, and the Western Actuarial Bureau have taken a leading part as co-sponsors of the movement and have conducted contests to honor cities that are outstanding in fire-prevention work.

Hundreds of business concerns hold meetings of employees during the week with foremen explaining the nature of fire hazards in their departments and how to avoid them. Employee committees are formed to conduct inspections. Literature on the subject is distributed, and letters and packages mailed out carrying special stickers provided by the National Board. Posters and window displays are other means of bringing the campaign to public attention.

The promotional activities behind the observance of the week are outlined in the *Public Relations Directory and Yearbook* as follows:

Program suggestions for interested individuals and local organizations are made largely through the medium of an annual, 16-page publication "Safeguarding America against Fire." This contains feature articles and ideas for illustrations, speeches, window displays, radio programs, news items, as well as reproductions of advertising mats.

Posters for the campaign receive wide distribution not only in window displays but also throughout railroad stations and properties from coast to coast, in post offices and telegraph offices, and in the subways of some cities, as well as buses in other areas. Fire chiefs use large additional quantities, and in addition welcome suggested newspaper articles and radio scripts.

Supporting the campaign, fire insurance companies carry stories containing suggestions for Fire Prevention Week in their house organs during August and September. These publications reach both office employees and local agents of the companies in communities large and small.

In national magazines and farm papers October advertising copy features Fire Prevention Week. Newspaper adaptations are prepared for agents and local associations in the form of mats. . . . Many newspapers secure similar advertising from light and gas companies, bank safe depositories, and other interested local enterprises.

Appropriate messages are broadcast by the fire insurance business in its national radio advertising. Many radio stations also engage in broadcasting fire prevention suggestions as a public service to their listeners.

Fire Prevention Week is intensively observed in every one of the forty-eight states and Canada. Of the 4 million and more items requested annually from the National Board of Fire Underwriters alone, the most popular are window posters, stickers, pamphlets and self-inspection blanks—each group running into hundreds of thousands.

#### THE BANKERS MOBILIZE

The public relations of all business institutions dropped alarmingly in the early thirties as a result of the depression but none to a lower level than American banking. The disastrous bank failure record before and during the depression, political attacks on banking during the 1932 presidential campaign, and revelations brought out at Congressional hearings on financial reform legislation from 1932 to 1936 combined to give banking a bad

reputation. In 1936 the American Bankers Association publicity department made a study of banking and public opinion and issued a series of pamphlets entitled "Public Relations for Banks."

The study frankly admitted that the history of American banking had been unfortunate, and presented a succession of incidents, periods, and conditions that tended to impair public opinion regarding banking. *Even some features of good banking, the study said, tend to offend certain popular prejudices.* The study continued:

It takes money to start and operate a bank. The bank becomes a symbol, therefore, of money power, proverbially an object of popular distrust and hatred. The laws generally require that a relatively substantial amount of capital must be provided before a bank can obtain a charter. It thereby becomes the symbol of special privilege granted *the well to do.* As custodian of other people's money, banks are bound to exercise extreme caution in lending or investing their deposits. As a by-product of sound practice, the banks have thus become to some people the symbol of selfish caution.

While bank advertising and publicity had been used extensively in the twenties, the study pointed out that bank operations and policies often failed to give due consideration to public attitudes and viewpoints. The American Bankers Association, therefore, started out to build a public relations program that would restore public confidence in the banking system. It rejected proposals to put on a nation-wide promotion campaign. Instead it launched a movement to improve banking services so that they would meet the needs and desires of the public.

The association turned its attention first to the bank's loaning function as a positive part of a public relations program. While admitting that the proverbial "hard-boiled" policy of granting loans had done much to protect the depositors' money and avoid unsound expansion of business and credit, the association advocated a liberalization through such developments as the amortized long-period, first-mortgage loan and the establishment of personal loan departments. *The pamphlet explained:*

This is not to say that a large proportion of a bank's operations can be made up of transactions of this type. The point is that the loaning function, instead of being wholly without public relations value, can be employed to help create among the people of a community a better feeling toward banking. The major responsibility of banking credit will continue to be the sound financing of the larger operations of industry and trade. This is the fundamental measure of its public services. Nevertheless, if the dealings of banks are also made more generally notable for their humanitarian helpfulness, public support will be more readily forthcoming when the need for it is pressing.

The association today has an active public relations council composed of 11 bankers who are well-qualified practitioners. Through analysis and research conducted by its research division the association has set up public relations programs that are made available to banks throughout the country. During the war its public relations activities were considerably curtailed, but in 1946 the association was bringing its publications up to date and working on a complete new public relations manual.

#### THE SMALL LOAN COMPANIES

One of the most ambitious studies to be given general circulation is a series of booklets published by the American Association of Small Loan Companies, Washington, D.C., entitled "Public Relations in Action." The association states in its foreword:

"Public Relations in Action" is used as a title for this series of pamphlets because it helps emphasize the fact that public relations is not some magical hocus-pocus that mysteriously results in the general public's approval of our business. On the contrary, public opinion is shaped by the knowledge, the character, the ethics and integrity, and the caliber of citizenship represented by the people engaged in the small loan business.

The series begins with the story of Joe Carter, manager of a small loan company, who has been able to weather the barbed jibes of his friends regarding his "loan shark" activities but who finds his wife has been a victim of the same sort of humor at her bridge club that day. They decide to write a letter to the Ameri-

can Association of Small Loan Companies asking for public relations help. The answer comes back:

We know that you will be interested in the series of pamphlets that will be published periodically for the use of persons like you who are engaged in the small loan business. These pamphlets will be called "Public Relations in Action." Some of the subjects they will cover will be the history of lending and borrowing, the Uniform Small Loan Law of the Russell Sage Foundation, and a discussion of rates. They will also cover employee relations, relations with customers, and will outline how the employees of the small loan business can help themselves and improve the public opinion of the business by being active citizens of their respective communities.

At the end of each pamphlet in the series the loan manager is requested to answer a list of questions based on his reading. For instance, the first pamphlet "The History of Borrowing and Lending" asks: "What is a 'loan shark'? Why didn't the primitive peoples exact interest on loans? What caused lenders to charge interest? What is 'note shaving'?" and so on.

The association pamphlets discuss the small loan business frankly and explain the points on which public criticism has been based. Number 8 in the series is devoted almost entirely to the necessity for avoiding legal action against customers except where circumstances afford no other method. Throughout the series the emphasis is on ethical practices in the conduct of the business, truthfulness in advertising, and full explanation of all terms and conditions of agreements with borrowers.

During the summer and fall of 1946 the association conducted an essay contest among the employees of member companies, encouraging them to write on the subject "Public Relations in Action through Employees," based on their reading of the series. The association also publishes a magazine called the *Small Loan News*, which is distributed regularly, and annually publishes a roster of all licensed small loan companies in the United States.

#### THE LUMBER INDUSTRY

The lumber industry is more sensitive to public opinion than many other industries because it is engaged in the use of the na-

tion's only renewable natural resource. The value and limitations of this resource were not recognized by anyone for nearly 100 years. Many of our western forest lands were virtually denuded because lumbermen found no reason—politically, financially, or economically—to preserve the forests. Therefore, they became associated in the public mind with the ruthless robber barons of the last century.

This was an impression that talk alone could not correct. The West Coast Lumbermen's Association of Portland, Ore., decided on a program of purposeful action. They are planning now 100 years ahead. They are engaged in numerous activities designed to reduce waste and increase the yield from the forests while maintaining them on a permanent basis.

Under their "tree farm movement," "tree farm" owners guarantee that their land will be maintained for the growing of forest crops, that it will be harvested in a manner that will assure future crops, and that it will receive intensive protection against fire, insects, disease, and excessive grazing.

The "keep green movement," which also originated in the Pacific Northwest, has resulted in a widespread understanding of the danger of fire in the woods and has materially cut down fire losses. Still another step was the establishment with private industry funds of the Forest Industries Tree Nursery at Nisqually, Wash., which annually supplies 6 million seedlings for planting on private lands that have been denuded by fire.

Today, as a result of study, research, and experiment, a greater percentage of timber wealth is being realized per acre than ever before. But the association is not satisfied to let it rest there. It is expanding its program each year, and it is eager to tell as many people as possible about what is being done. As an association spokesman put it in a letter to the authors:

Our public relations goes a good deal deeper than a simple effort to obtain favorable publicity. We want the publicity—make no mistake about that—and we don't want it to be bad, but we don't attempt to get it on a fraudulent or "cover-up" basis. Our public relations program is rooted in progressive developments taking place within the lumber industry of the region.

Obviously, the program wouldn't work if there were no progressive developments to talk about. . . . Probably . . . the key to sound public relations lies in just this fact.

#### FUNCTIONS OF ASSOCIATIONS

The public relations activities of trade associations range from purely *internal efforts to provide research data for members* to flamboyant national campaigns for public support along political lines. The American Retail Federation, Washington, D.C., which represents approximately 500,000 retail outlets, and the New England Gas Association of Boston, Mass., undertake no external public relations but prepare material only for their memberships, advising them of developments in their respective fields.

On the other hand, the National Association of Manufacturers, the American Meat Institute, and the Association of American Railroads, to name only a few, are actively interested in winning public support for their programs and spend millions of dollars in advertising and promotion activities.

It is obvious that the functions of trade associations have not been clearly defined. T. W. Braun, public relations counsel, contends that trade associations should confine their activities to the internal organization, providing their membership with informational services regarding legislation, research, production, etc.

In the opinion of the authors, the underlying duty of any trade association, and its first responsibility, is to win friends for the industry it represents. All its other tasks and activities are secondary. In order to win friends it must deserve friendship, and this means a cleanup, if necessary, within the industry. By winning friends, its other tasks, such as fighting unfavorable or unfair legislation, are made much simpler. Thus, public relations in the broad sense becomes the primary reason for the existence of any association.



## Chapter 13

# Government and Politics

---

---

---

Citizens are traditionally suspicious of any effort by a public body to advertise itself. They seem to have entirely different standards for business and government.

MARSHALL F. DIMOCK, *Modern Politics and Administration*.

By and large the government information agencies have been invaluable to the Washington news gatherers and therefore to the public. Without them the comprehensive coverage of government affairs would be impossible.

ERNEST K. LONLEY, chief, *Newsweek's* Washington Bureau.

If Americans often are puzzled as to what their government is doing, it is not because the government is silent. Its multiple bureaus are constantly telling them. More than that, these bureaus, dipping deeply into public funds, are also eager to tell the people what to think.

From an article in *Nation's Business*, July, 1945.

### THE PEOPLE'S BUSINESS

Probably no institution in American life needs good relations with the public more than the Federal government, which must serve the people and be responsible to them. Yet the suggestion of a widespread public relations organization within government is viewed with misgivings, if not alarm, by a large number of business leaders and a considerable part of the general citizenry. Why this is true is not hard to understand.

Although government is the biggest business in the country, its operations cannot be detached from politics. The party in power may have the public's interest at heart, but its chief desire always will be to retain office. Consequently, the necessary func-

tion of furnishing the people adequate and truthful information concerning their affairs often degenerates into political propaganda. That is why appropriations for public relations or publicity activities in Federal bureaus are frequently challenged, particularly by an opposition Congress.

This was the situation in the years from 1946 to 1948, yet, according to *Tide*, the Federal government was easily the world's largest employer of public relations talent. There were at least 2,500 public relations men and women employed in various offices, exclusive of those in the dwindling war bureaus. Working mainly under the guise of "information specialists," these people are responsible for the hundreds of newspaper releases that flow from government agencies as well as for the radio programs, public speeches, and publicity activities of a like nature.

Despite the propaganda that is bound to creep into a political institution like the Federal government, the fact remains that it is the source of much vital information that needs to be disseminated. As Millard Faught points out in *Tide*:

Because of the confusion and friction that now exists in the government's public information methods, the average citizen has only the most meager knowledge of the myriad services that his government performs and for which he is taxed, whether he uses them or not. For instance, hundreds of farmers who in recent years lost their farms might have saved them had they known of the help available from agencies like Farm Security, Soil Conservation, and the Farm Credit Administration.

#### THE ROOTS OF SUSPICION

Although government publicity reached its highest volume under the New Deal, the opposition to the Federal establishment promoting itself dates back more than 50 years. Congress passed an act as early as 1914 forbidding the spending of appropriated funds for "publicity experts" unless specifically authorized. Representatives of both parties supported the act, arguing that news that was due the public should not require the services of a publicity agent and that no executive office should create its own vir-

ties in the press. James L. McCamy, in his book "Government Publicity," comments:

The result of this provision was the evasive hiring of publicity experts under such titles as "Director of Information," "Chief, Division of Information and Education," "Chief Educational Officer," "Editor-in-Chief," "Assistant to the Director" or "Assistant to the Administrator," "Supervisor of Information Research," "Assistant to the Chairman," or "Director of Publications."

These titles are taken at random from letters and questionnaires. More prolonged and expensive research would no doubt unearth in the lower ranks more striking oddities adopted to utilize appropriations for purposes other than those assigned. Thus, as an incidental example discovered by accident, a person called "Sergeant of the Guard" was serving in early 1937 as receptionist for an exhibit of the work of his agency, performing a needed and effective publicity job.

Mr. McCamy points out a second statutory limitation with the passage of the "gag law" of 1919, which prohibited the use of appropriated funds for services, messages, or publications designed to influence any member of Congress in his attitude toward legislation. An exception was made to allow government officials and employees to supply information to Congress at the request of any member on the need for legislation or appropriations.

Another law was enacted in 1919 imposing the requirement that all duplicating, except what would normally be typewritten, be done by the Government Printing Office, but it was not until 1936 that the Comptroller General gave it a drastic interpretation that left little room for publishing activities within administrative agencies. The multiplication of agencies under the New Deal administration served to intensify demands for curbs, and some legislation was passed.

One change in the law required that government publications other than spot announcements to the press could be sent only to those who had requested in writing to be placed on mailing lists. The agencies immediately circularized their current mailing lists inquiring whether the publicity medium wished to receive further releases. Few failed to reply in the affirmative, and the

result was to legalize a practice which before had been questionable.

There probably will be future bars raised to curb government agencies from exploiting their achievements, but so long as the Federal establishment continues to grow and become more complex, the need for better communication of public information will be even more vital.

#### PUBLICITY AND THE NEW DEAL

Much of the opposition in recent years to government publicity can be traced to the expansion of this function under the New Deal. The wave of new legislation initiated by the Roosevelt administration in 1933 brought a rapid increase in powers to existing agencies and added a score of alphabetized bureaus almost overnight.

Government had gone into business on a large scale to meet depression conditions, and it was felt by administration chiefs that these new ventures needed not only explanation but acceptance and support by the public. Every agency began to draw from civilian life the best publicists available—a not too difficult task in the midst of a depression.

The information division of the National Industrial Recovery Administration was among the first to require a large corps of publicists because of the novelty of the NRA program. As that agency was liquidated these publicists shifted to other new and expanding agencies. The peak came, however, when the Office of War Information got into a high gear with a large staff in Washington and representatives throughout the United States and in foreign countries. At the same time the Office of Price Administration was building a huge staff of press relations men.

As the war faded into the background, these agencies were cut sharply even though some of their functions were still important, but there are still many survivors in Washington who carry on publicity activities in one form or another. Many of them have been accorded permanent civil service status, although their jobs could be abolished by Congress at any time. Despite the relatively low scale of salaries for these specialists—from \$2,900 to \$5,750

launched a strong public relations program including more personal contacts, newspaper releases, promotional publications, movie films, and semiweekly radio programs for the New York area.

#### MILITARY PUBLIC RELATIONS

Back in the thirties, as the international scene darkened with the threat of war, a consciousness of the necessity for public relations began to permeate the military establishment. Press and magazine writers were cultivated more assiduously, and the beginnings of a public relations setup appeared.

After war came to America, the Army and Navy moved slowly to expand these activities but were constantly hampered by military tradition and security considerations. The Army Air Forces, less bound by the military mind, saw an opportunity to bring their new and colorful organization to the fore. Officers were recruited from newspapers and advertising agencies to concentrate on building up the USAAF in the public eye. Before the war was over all three services were in the public relations field in a big way.

In general, the military forces achieved considerable success with their public relations during the war, but it should be remembered also that they had the solid support of public opinion behind their efforts. Looking back now, we can see that military public relations concerned itself mainly with publicity. It wielded very little power over the policies and conduct of the armed services. Only in a few cases were public relations officers endowed with staff responsibilities.

Considerable progress toward improving this situation has been made since, but the fact remains that military public relations is still far behind corresponding operations in the civilian field. Royce Howes in a column in the *Detroit Free Press* early in 1947 spoke out sharply against Army public relations and cited examples:

Recently General Douglas MacArthur informed the War Department that the *New York Herald Tribune*, the *Christian Science Moni-*

all matters affecting the public interest. The USAAF public relations course was still in operation in 1948 at Craig Field, Ala., where it was part of the Air University system.

The Army Ground Forces also set up a public relations course in connection with its Information and Education Department at Carlisle Barracks, Pa., in the spring of 1946. While the emphasis at the school is on general background education, the officers are put through a stiff course in the fundamentals of public relations and the handling of a press officer's job.

These two services have set a pattern for education in public relations that might fit well into any university system in civilian life. Both courses have been tested and proved helpful as far as they have gone. Graduates of these two schools today are holding important public relations positions in the military establishment.

Meanwhile the Navy has recognized its public relations activities under the Office of Public Information. According to one naval officer, the Navy has departed from its prewar policy of "assigning an officer not needed elsewhere" to the public relations job and is selecting men particularly for that duty, mostly reserve officers with previous newspaper experience. These men are being especially trained in a school similar to those set up by the Army Ground Forces and Air Forces.

#### PUBLIC RELATIONS IN POLITICS

The business of politics is so shot through with propaganda that it is difficult in any battle of ballots to recognize a connection with public relations whatsoever. On the other hand, a good deal of public relations sagacity has entered into political campaigns, notably those of Franklin D. Roosevelt, Governor Ellis T. Arnall of Georgia, Governor Earl Warren of California, and of Wendell Willkie in his fight for nomination in 1940. Let us try to draw a distinction between political public relations and political propaganda.

When and if political campaigns are waged along the lines of informing the public on fundamental issues honestly and without equivocation, we can assume that politics is approaching a public relations level. But when such campaigns descend to smear

tactics, false promises, and humbuggery, the public relations aspects quickly disappear. The trouble is that most political contexts are neither all of one or the other but are somewhere in between.

Without inveigling against politics as it is practiced, the authors would divorce public relations therefrom as determinedly as they tried to divorce it from the practices of propaganda. Moreover, they would contend that practitioners who enter into the business of running political campaigns are doing incalculable harm to the cause of public relations—as much as though they actively participated in lobbying activities to serve selfish interests. If public relations has no higher ethical purpose than propaganda and press-agentry, there is little that can be said for it as a profession.

In summing up this discussion, the authors believe that there is room in government for public relations effort, even though at times it is mixed strongly with politics. They believe that every agency of government is entitled to public relations advice and help as long as its business is to serve the people. They do not believe, however, that the operations of political parties seeking to attain or retain office are a fruitful field for public relations endeavor. Just where the line should be drawn must be left to the practitioner's own conscience.

## Chapter 14

# Labor Enters the Field

---

---

Union organizations have been so preoccupied in recent years with problems of growth that they have sometimes appeared indifferent to their own status before the general public. That is now being changed. Borrowing from politics and business, labor has combined the techniques of the ward politician with the advanced arts of advertising, radio, and the press and has constructed its own public relations on the basis of proved precedents.

MARTIN DODGE, public relations counsel, New York City.

The truth is that today labor is big business, frequently led by high-salaried executives who are also expert propagandists. War-swollen union treasuries have more than one billion dollars in aggregate assets, plus a monthly income of \$25,950,000 from 13,000,000 dues-paying members.

VICTOR RIESEL, *The American Mercury*.

### THE POWER OF LABOR

Total union membership today is estimated at around 14,800,000. The AFL has approximately 7,000,000 members; CIO, about 6,000,000; the Railroad Brotherhoods, 450,000; the United Mine Workers, 600,000; and miscellaneous independent unions, 1,250,000. Almost 50 per cent of all employees in private industry today are under union contracts. In manufacturing about two-thirds of the workers are covered by union agreements. In some key industries and trades—including railroads, steel, automobiles, mining, newspaper printing and publishing, the building trades, truck drivers, airline pilots and mechanics—the proportion of workers who belong to unions ranges from 80 to almost 100 per cent.

The basic aim of a union has been stated as follows: To provide



Given in the first place the natural sympathy of most Americans for the "underdog" or the support of the workingman for the workingman, labor starts any program of public relations with a tremendous reservoir of public good will and support. But in the last few years labor's excesses and disregard of the public welfare have brought a steady alienation of public support, culminating in the passage of such measures as the Taft-Hartley Act in 1947.

Fortunately, however, recent trends show a growing appreciation among unionists of the importance of getting public opinion on labor's side. Martin Dodge, who edits the *DM Digest*, which contains articles gleaned from the labor press, quotes a prominent Middle Western labor journal as follows:

If we are to achieve a greater respect from the general public or even maintain that now held, labor must clean its own house. If it doesn't we are going to take the same kicking around industry has suffered in the past decade. And two wrongs still do not make a right.

Mr. Dodge goes on to quote from the organ of one of the big international unions during the war:

If there is one place where the labor movement has been weak during recent years, it is in the public relations department. In the post-war era labor can undoubtedly look forward to an accelerated barrage of antilabor propaganda. It can successfully be fought only by putting before the general public the true facts. . . .

#### LOOKING BACKWARD

The history of trade unions shows that there were two types of labor organizations after the Civil War. On one hand, there were the fraternal unions patterned somewhat after the old guilds. They were made up of skilled craftsmen who took a fierce pride in their trade and passed their knowledge on to limited numbers of apprentices. On the other hand, there were miscellaneous groups of laborers in the heavy industries who knew no cure save violence for their real or imagined wrongs. Neither of these two types of early unions knew or practiced public relations. The first plodded along generation after generation with little improvement in earnings or working conditions. The second, ready to

to make effective political talks and supplied them with material for their speeches.

"The Woman's Guide" told women leaders how to marshal the vote of their sex and how to swing the election in their own feminine way.

"The Negro in 1944" was written for the guidance of workers and speakers who were dealing with Negro voters.

"Deadline for Action," a motion picture calculated to arouse distrust for the capitalistic system, was produced by the United Electrical Radio and Machine Workers of America, a Communist-led branch of the CIO, and shown to thousands of union meetings in the months preceding the 1946 elections. Like many other PAC activities, however, this motion picture showed an immaturity in public relations thinking and in many cases succeeded only in strengthening the opposition to organized labor leaders.

The result was an overwhelming defeat in 1946 for most of the PAC-backed candidates and an unfortunate setback in public support for worthy unions. With the defeat the PAC lost a large part of its effectiveness. The lesson to be learned from the PAC by the student of public relations is the danger of misuse of established media of public information in conducting a publicity campaign. Had many of these activities been more restrained; had PAC spent more time and effort on selling labor's accomplishments; there is no doubt that the campaign would have won more friends for labor and might even have had a different outcome.

In support of the first statement, perhaps the brightest hope for the immediate future is the prospect of fewer strikes in industry. As a "challenge to free labor and free enterprise," a publication of the American Federation of Labor in July, 1946, called for cooperation between labor and industry "to increase productivity and raise living standards *without strikes*." The pamphlet went on to say:

Today America's ability to raise wages without increasing prices and living costs depends on increasing productivity in civilian industries. We start now with a deficit to make up. These industries are four years behind their normal productivity increase. Many plants need new tools and machinery; many have not yet completed reconversion from war work; some are still short of skilled workers. Every effort must now be exerted to make up this productivity deficit and swing our industries back to their normal progress which can raise "real" wages and living standards. This can only be done by the same cooperation of management and labor that created our productivity miracle in war industries.

An even stronger stand against strikes was contained in an article in the *International Teamster* by Daniel J. Tobin, general president of the AFL Teamsters' Union, who stated flatly that "strikes do not pay and should be avoided if it is humanly possible to avoid them." Mr. Tobin went on to say:

I am satisfied that many of the strikes that have taken place in recent months might have been avoided by careful management of the affairs of the unions involved, and by the leaders of the unions exemplifying their leadership by proving that they have the courage to disagree with their members when they believed their members were going too far or asking too much. Or when they believed—as their judgment should have led them to believe—that even though they were right, it would be better for all concerned to pursue the doctrine of compromise.

A growing realization of the necessity for good public relations by unions is illustrated in an article in the *Machinists' Monthly Journal*, which states:

The technique of gaining public favor has meant little to union people in the past for the simple reason that union people could not

believe that the so-called "public" could possibly be unfavorable to the objective of labor unions. The time has come when trade unionists have small choice in this matter of public relations: Either they sell their local organization to their own communities in terms that their neighbors understand, or their neighbors are going to approve legislation that will make the Taft-Hartley Act look like socialism.

#### HELPING MANAGEMENT PROSPER

A few years ago the CIO United Steelworkers of America put out an organizing committee handbook, which showed the beginnings of an enlightened public relations policy with respect to dealings with management. In abridged form, it said:

The first business of a union, of course, is to bargain with the employer and get the best terms he will grant. But there is a point beyond which the employer will not or cannot go. When asked for a wage increase or a reduction of hours, he may say, "I can't afford it; the company is not making enough; it would put me out of business. . . ." What then? Is the union to try to enforce its demands in the risk of putting the employer out of business? . . . Suppose the union could say to the employer, "We will show you a way to save money enough to grant the wage increase." Or, "There is a way to sell more of your product so that you can employ more people." If a union could say such things, it would have additional bargaining power. It would have something valuable to offer the employer in exchange for what it wanted. . . . The answer is simpler than it looks. Almost any shop or mill is full of wasteful practices. Many workers, as a result of their daily observations, could give management hints as to how it could save money and put out a better or a cheaper product. If this knowledge were collected and applied, the establishment would be better able to meet labor's demands.

As a practical application of this principle, the International Ladies' Garment Workers' Union established an "employer relations" program that has helped greatly to stabilize labor-management relations in the garment industry. The story of how it has worked in one branch of the union is told in *The New Leader*.

Julius Hochman, who heads the 25,000 unionized dress makers in the New York area, set up the New York Dress Institute in

1941, which has spent vast sums to promote dress consciousness among the women of America. First he had to sell it to his own union colleagues, cautious of schemes to "help the bosses." Then he forced the manufacturers to accept it. His latest move is to organize the manufacturers of the entire country into an institute that will open foreign markets, especially in Latin America.

Hochman also established an extension course in shop management in the dressmaking industry in cooperation with New York University and followed it up with other "cooperation plans." His primary purpose is to effect a program of efficiency in manufacturing that will make his union a full partner in the production and sales process, but Hochman explains:

Don't get the idea that we're primarily concerned with raising the employers' profits. Our sole purpose is the improvement of wages, hours, and working conditions for the workers. That's what unions are for. But we have learned from experience that good times for the bosses mean good times for the workers.

#### AFL COOPERATION

Many AFL unions, likewise, have demonstrated their desire to promote the interests of employers. Practically unique in the field of labor-management relations has been the record of Minnesota AFL unions over the past few years. Early in 1946 they started an advertising campaign in large Eastern and Middle Western financial papers to bring out-of-state capital and industry to Minnesota. One of their ads read:

In Minnesota, the boss's son goes swimmin' with the carpenter's boy. We tell you that because in Minnesota we AFL folks get along with our bosses. We also believe in private initiative, not government in control of business. . . . You can't go swimmin' with a government bureau!

#### THE LABOR PRESS

A change also has been coming over the labor press in the last few years. There are nearly 1,000 labor newspapers of varying types with a total circulation of approximately 15 million. While

induce the fullest possible participation by American workers and other progressives in the determination of our national policies and selection of our government leaders."

There has been no intent in this chapter to intimate that labor has progressed very far in its public relations policies and practices—in fact, it has only begun to travel the road. But there are signs that it is moving in the right direction; that the flood of propaganda that characterized business publicity some years back is only being repeated by labor; and that business and labor both can look forward to better relationships in the future if their policies and practices are made to conform with the public interest.

all of them are strong advocates of their particular organizations and policies, there is less contentious matter in the straight labor news. There is an effort to interest readers as well as to convince. Moreover, there is great editorial improvement in labor journals as many of the papers are getting more skilled and experienced editors and staffs. Two news services—Federated Press, covering the home front, and Allied Labor News, dealing with overseas labor matters—furnish news, pictures, and cartoons to more than 300 papers.

Among the leading journals is *Labor*, the official weekly of the 15 Railway Brotherhoods. In size, format, and editorial comment it looks like any other newspaper; it has a circulation of 750,000 copies and is financially successful. The labor paper with the largest circulation is the *CIO Automobile Workers' News*, which mails out nearly 1 million copies per issue.

It is obvious that among the several hundred small papers, as well as some of the larger ones, there will be many cases of irresponsible extremism in writing and editing the news. Labor is still essentially operating on the propaganda front. Yet Martin Dodge, quoted earlier in the chapter as an authority on labor journals, has this to say regarding the labor press:

By and large it covers the labor front. It is received with confidence by those for whom it is intended. Indeed, many of them regard it as the only "free" press in the country. It makes articulate for them their gripes and aspirations. It talks language they understand.

Many of these papers have widened their circulation lists to include nonmembers in government and industry as well as in educational institutions. More than a hundred of them are soliciting advertising from business concerns on the basis that they represent a large slice of the nation's purchasing power. These factors are bound to mitigate the belligerency of the labor press in the future.

The same reasonable approach also is evidenced in pamphlets and other literature issued by labor organizations. The political material issued by the Political Action Committee of the CIO, for instance, claims nonpartisanship with its chief purpose being "to

induce the fullest possible participation by American workers and other progressives in the determination of our national policies and selection of our government leaders."

There has been no intent in this chapter to intimate that labor has progressed very far in its public relations policies and practices—in fact, it has only begun to travel the road. But there are signs that it is moving in the right direction; that the flood of propaganda that characterized business publicity some years back is only being repeated by labor; and that business and labor both can look forward to better relationships in the future if their policies and practices are made to conform with the public interest.



## Chapter 15

# Public Relations in the Social Field

---

---

If we want the good will that a church must have . . . we must show forth our good works in such a manner as to enlist that all-powerful force—public opinion—as our ally and partner.

STEWART HARRAL, director, School of Journalism, University of Oklahoma, *Public Relations for Churches*.

The *planning* of a war relief or charity drive is half of the battle. The other half is hard work, with plenty of knowledge of handling other people mixed in. . . . The complicated machinery must always be kept oiled with tact and good nature.

VERNE BURNETT, *You and Your Public*.

The belief that colleges and universities were little more than glorified country clubs, all too prevalent until recent years and still extant in some sections, resulted from the shortsightedness of administrators and publicists who failed to grasp the importance of publicity work and its potentialities for doing harm as well as good.

W. EMERSON RECK, *Public Relations: A Program for Colleges and Universities*.

### THE NONPROFIT INSTITUTION

Public relations for nonprofit enterprises—educational, religious, civic, charitable, etc.—differs very little from public relations for business organizations. There must be the same careful planning of the program, the same emphasis on wise policies and good conduct, the same direction from top executives, and the same utilization of the techniques and media that are found useful in other phases of public relations.

The nonprofit organization, however, has a distinct advantage

in public relations over the business concern. In the first place, if it has won the support of the community, it already has established itself as an *institution*. Secondly, it almost certainly will hold a favored position for free publicity in the newspapers, free time over the air, and donated space in other media. Finally, it does not have to depend on profit making for its existence. Ordinarily it will be supported by taxes, fees, contributions, or donations.

Public relations in the social field, with a few exceptions, is not highly remunerative, but it offers a rich experience for the beginner. Social work reaches into human relationships at the grass roots. Through case work with individuals, through group work with organizations, through community endeavor, the public relations worker will gain an insight into human nature in both individual and social contexts.

Nor is social public relations to be overlooked by the more experienced practitioner. Many specialists give a considerable part of their time to social causes, often without remuneration. Edward L. Bernays, one of this country's best known public relations men, has served on committees for many national organizations and freely offered his counsel. In addition to the satisfaction of helping a worthy cause, social public relations brings prestige and fresh experience to the practitioner. How the two activities tie together is illustrated by Thomas L. Cotton of the New York State Association of Small Loan Companies, in the following excerpt from his article in *Public Relations Directory and Yearbook*.

The businessman usually wants a clean, healthy community in which to operate. The public relations director has learned that one of his jobs is a community job. Evidence of this is found in consumer-education programs started by various industries through their public relations departments. He must see to it that the business he represents meets its responsibility to the community as fully as possible. In some ways, therefore, the goals of social workers and public relations men are similar. Each can learn from the other and cooperate even though the route to their goals is likely to be different.

3. World education associations that will encourage systematic interchange of professional knowledge, visits, and conferences.

4. Teaching children the truth about war, its cost in human life and ideals and in material wealth; the values of peace; and the need of an organization with power to preserve peace.

NEA's office of press and radio relations maintains constant touch with Washington newspaper correspondents, various press services, and magazine writers. The director of the office serves on the board of consultants of the CBS School of the Air, and during 1945-1946 the office prepared the scripts for a series of 13 radio programs on the NBC network.

Early in 1947 the NEA launched a long-range Federal and state program to increase the scale of teachers' salaries especially hard-hit by rising prices. Through its well-coordinated public relations program, NEA has been an effective force in building the prestige of education throughout the nation.

#### PUBLIC RELATIONS FOR HEALTH

*Despite its high standing as a professional society, probably no organization has suffered worse criticism for its public relations than the American Medical Association. Much of the criticism has centered around the activities of the editor of the *Journal of the American Medical Association*, Dr. Morris Fishbein, whom the press has singled out as the spokesman of organized medicine.*

Greer Williams in a *Saturday Evening Post* article described Dr. Fishbein as "the best known and least liked doctor in the United States" and went on to say that his intensive campaign against socialized medicine had dimmed the more scientific achievements of the AMA in the public mind and identified the association with "the economic interest of the doctor."

After a long battle within the association to curb Dr. Fishbein's powers, the trustees in 1945 hired a lay outsider, Raymond Rich of New York, to make a report on the public relations of AMA. The result of the report was to give Rich the job of setting up an organization to handle all nonscientific matters of the association, including public relations. Charles M. Swart was hired as an executive assistant to carry out the program.

The new organization lasted only six months. Counselor Rich and his assistant Mr. Swart resigned in June, 1947, charging that the AMA's Board of Trustees had choked off funds and had made it impossible to carry out the coordinated program voted by the House of Delegates, the policy-making body of the group. According to *Tide*, Rich's final report on the public relations activities of the AMA "spelled out a sad record of failure and frustration."

Whatever the outcome of this controversy, the AMA of late years has liberalized its policies considerably toward the encroachments of socialized medicine. It now favors and sponsors plans under medical society control whereby citizens may organize themselves into groups to share the cost of medical aid.

Probably the most revolutionary scheme accepted by the association is the Blue Cross Hospital Plan, which today has 27 million members throughout the United States. The plan's phenomenal growth has all been within the last decade. Although the Blue Cross was promoted and pushed by such zealous organizers as E. A. Van Steenwyk of St. Paul and Frank Van Dyk of Essex County, N.J., its great success is due mainly to the soundness of the plan and its appeal to the American of average income as a way of insuring himself and family against high, emergency hospitalization costs.

One other organization in the health field stands out public relations-wise—the National Tuberculosis Association—which through its famed Christmas Seal campaign has helped to reduce the high death rate of tuberculosis 75 per cent.

At the root of the association's public relations is a strong program of information and education designed to bring to the individual and the community the principles and practice of tuberculosis prevention. Special work is done with schools and colleges, with labor organizations and management, and within certain racial groups where tuberculosis is a particular problem.

Public knowledge of the disease has been increased enormously. Today there is more accurate and widespread reporting to health authorities of persons who have tuberculosis, and the number of beds for treatment has grown from 9,000 to more than 100,000. The strength of the association lies in its 2,500 affiliated associa-

tions, which are working daily with medical societies, health departments, and other groups.

Each year the national association makes grants to outstanding university scientists for further research in tuberculosis. Funds are also used to provide special tuberculosis training for physicians, nurses, technicians, and public-health workers.

#### THE AMERICAN RED CROSS

The growing recognition of the importance of public relations in the social field led the American Red Cross to put out a booklet a few years ago drawing a distinction between publicity and public relations. It said in part:

No amount of publicity can create permanently favorable public opinion for an unsound program or a program badly executed. Before there can be good publicity, therefore, there must be good public relations. In an organization such as the Red Cross, made up mainly of volunteer workers representing every phase of the community's life, the opportunity for sound public relations is both easier and more difficult than it usually is. Easier because each worker is potentially an avenue of publicity; more difficult because of the necessity for each representative to know and interpret the policies correctly.

Public relations stands very high in the operation of the Red Cross, nationally and locally. The national public relations department is divided into three sections: (1) publicity, which takes in press, radio, and advertising; (2) fund raising, which undertakes the annual task of handling the vast promotion necessary to raise funds for the year's operations; (3) public relations problems, which arise in connection with numerous organizations and businesses during the year.

In selecting public information chairmen, the Red Cross chapters are cautioned to find people with leadership qualities and the ability to obtain cooperation with publicity sources. In defining the chairman's job, the booklet says:

It is his duty to bring to the attention of the chapter chairman . . . unfavorable reactions resulting from the chapter's activity or inactivity and to recommend corrective action. It also is his duty to publicize

the chapter's activities. . . . To do both jobs properly he should be a member of the chapter's executive committee. Only so can he be well enough integrated with the chapter's work to interpret it correctly.

Besides issuing a number of publications, the national Red Cross has a news department that functions much as a newspaper office functions. It also has a well-rounded photographic staff and perhaps one of the best private photo libraries in the country, which releases between 4,000 and 6,000 prints on an average each month.

The Red Cross also analyzes public reactions to its activities. The five area offices and many of the chapters send in reports each month covering their own work and indicating public attitude as it changes. Occasionally, polls of public opinion are conducted through a well-known agency. Criticism of the Red Cross by returning servicemen in certain localities was immediately taken care of in a public relations project.

In a letter to the authors, the national headquarters reports:

*We are extremely proud of the operation of our department primarily because the staff is made up of professional people who have had a great amount of experience in newspaper and radio work and because we are not tied down so much that our material is dead when it reaches the various media for which it is intended, which often characterizes public relations material from large business or governmental agencies. . . . We are indeed hopeful that you may be able to use some of the material we are sending . . . since we hope schools of journalism will, in the next few years, provide us with well-trained people.*

#### THE BOY SCOUTS OF AMERICA

One of the best case studies of public relations in the social field is the book "Building a Popular Movement" by Harold P. Levy. Mr. Levy points out that the Boy Scouts started off in 1910 to capitalize upon elements that made for popular appeal: (1) It clothed its program with romance, stressing camping, outdoor cookery, trail blazing and scouting with distinctive symbols and insignia conferred for proficiency. (2) It emphasized the qualities

## CIVIC ENTERPRISE

In Chap. I, the story of Cleo Blackburn and Flanner House was cited as a brilliant example of good public relations in the social field. Of much the same pattern is the story of Chicago's Packingtown as told by Gretta Palmer in *Kiwanis Magazine*.

The 120,000 people who lived in "Back of the Yards" next to the slaughterhouses were torn by dissensions between rival churches, labor unions, and various nationality groups. Hoodlums broke up dance benefits, smashed shop windows, and indulged in petty thievery. Outside reformers came in to discuss a recreation program. The writer describes the meeting as an uneasy affair until one of the workers arose and said:

For 50 years, do-gooders have been coming down here and promising to help us. So what? So it's no skin off their noses if our kids get sick or die or go to jail. I say, throw the reformers out and let's clean up Back of the Yards ourselves.

That was the beginning of the Yards Neighborhood Council, the toughest, friendliest legislative assembly in the world, with a motto, "The other guy's O.K.—when you get to know him." Sam Alinsky, Chicago criminologist, enlisted the help of Joseph B. Meegan, a neighborhood boy and trained recreation leader, who became the council's executive secretary.

It was not unusual to see CIO organizers soliciting memberships for businessmen's organizations; Lutheran and Greek Orthodox children selling raffle tickets for Roman Catholic bazaars; Republicans and Democrats getting together on a Know-Your-Congressman display. The council was instrumental in bringing in a station of the Infant Welfare Society that has helped cut infant mortality. The Yard people have established a free dental clinic, rented a recreation site, sent 300 children to summer camp, and through Federal and state aid have brought free milk and hot lunches to 17,000 school children.

The magazine writer describes the experiment as "friendliness that makes things hum—friendliness running through normal, well-established channels." That also is a good definition for public relations.

## SEATTLE'S FIRST CITIZEN

In 1944 when the Seattle Real Estate Board honored the resident who had done most for the community during the year, it selected the Children's Orthopedic Hospital as "First Citizen of Seattle." Anyone who has lived in Seattle can explain why, but the story is related by Franc Luther Shot in *Survey Graphic*.

In January, 1907, Mrs. J. W. Clise, a well-to-do Seattle woman, offered to pay for an operation needed by a neighborhood crippled child. When she discovered there was no place in Seattle where that particular operation could be performed, she invited a group of friends in to discuss the situation. Out of that gathering came funds and an organizational plan for the Orthopedic—"a hospital for the care and treatment of afflicted or deformed children, without prejudice of race, creed, or color."

In 1945, the million-dollar Children's Orthopedic Hospital cared for 3,424 children from all over the Northwestern United States, Canada, and Alaska. The volunteer staff of doctors now numbers 100. Six thousand members of 135 guilds and auxiliaries scattered through Washington and Alaska provide food and clothing for the children, assist in running the institution, and raise the \$360,000 needed annually for the hospital's support.

Fund-raising activities in the guilds range from selling gaily wrapped boxes of Northwest holly all over the country each December, to a "wishing well" in a Seattle park where hundreds of dollars in small coins accumulate annually. Two full-time businesses are operated by the hospital. The Corner Cupboard tearoom in downtown Seattle serves lunch daily and sells a variety of unusual gifts. The waitresses, sales girls, and cashier are all volunteers, and when help was short during the war, Seattle society women donned aprons to cook and wash dishes.

In the hospital's Thrift Shop, volunteers renovate discarded clothing and household equipment donated by guild members and offer them for sale. There is an annual Friendly Exchange Sale that brings contributions of clothing and household goods from all over Seattle, which in 1945 netted \$12,000. The biggest source of funds is the annual Penny Drive. Guild members leave slotted manila envelopes at every dwelling in Seattle; auxiliaries



canvass other cities. In 1945 these envelopes, filled with pennies and larger coins, brought in \$65,000.

There is talk now of an expansion of the hospital to a great child-care center—a project that would cost 2 million dollars more. Seattle and Pacific Northwest people do not seem daunted by such a prospect; they have been completely "sold" on the Orthopedic through a great program of community public relations.

#### THE FIELD IS UNLIMITED

This chapter has barely touched on the possibilities that are open in the social field for public relations. Even the churches, if they can shake off the ties of conservatism, can profit by a public relations program. Stewart Harral, whose book is quoted at the beginning of this chapter, says the mistake most churches make is to confuse public relations with publicity. What they do not realize, he says, is that they are free to choose whether or not they have publicity, but they cannot avoid public relations—good, bad, or indifferent.

During the war a score of quasi-social agencies sprang into being, and the story of their public relations activities would fill many volumes. There was the National War Fund, which combined the host of private war agencies operating in the United States in the early stages of the war and raised millions of dollars for everything from relief to USO entertainment.

There was the Committee for Economic Development, headed by a board of outstanding industrialists, that set out to find a way to maintain high levels of production and employment in the critical postwar years.

The list of case studies could be extended indefinitely. In every community there are dozens of agencies working in the social field—the Community Fund, the Red Cross, the Boy Scouts, the Y.M.C.A., a playground association, a college, or a hospital. Students might well begin their experimental work in public relations by outlining and preparing a program for a community organization or an educational or welfare project. The material offered by such an organization is much easier to handle than that of a business concern and usually enjoys a more favorable reception.

## Chapter 16

# Letting the People Know

---

---

Publicity is one of the major functions of public relations, but when it is permitted to dominate the program, it becomes harmful in the extreme. A program that is permitted to sink to the level of publicity alone is hardly deserving of the name of good public relations. Indeed, it is likely to do more harm than good to the institution it is created to serve.

REX F. HAWLOW, *Public Relations in War and Peace*.

The terms "public relations" and "publicity" are too often used as synonyms. They are separate but complementary functions. . . . Publicity is the presentation of an idea in such a manner as to create an understanding and appreciation of that idea—to get that idea known and accepted.

DAVID McLAREN CHURCH, publicity manual, National War Fund.

How shall you regard publicity? That depends upon your own integrity and temperament. The enduring benefits usually go to those who respect publicity as a useful modern force and try to brighten, not tarnish, its reputation.

VERNE BURNETT, *You and Your Public*.

### THE FUNCTION OF PUBLICITY

Public relations has been associated so frequently with its progenitors—propaganda, press-agentry, advertising, and publicity—it is little wonder that the general public fails to draw any distinctions. Only recently a nationally syndicated columnist started his piece with this statement, "Public relations is the gentle art of making people like what they would normally dislike; it is the art of palatability."

Now public relations is nothing of the sort as has been demonstrated throughout this book. Public relations is a planned pro-

gram of policies and conduct to build good will; it is "being good and getting credit for it," as one writer puts it. Or as another writer says, public relations is 90 per cent doing the right thing and 10 per cent telling about it.

This emphasis on fundamental policies and practices, however, does not overlook the importance of *letting people know* what the organization is doing. Publicity is often necessary and usually vital to the normal operation of any organization that seeks good relations with the public. The authors accept publicity and advertising as proper techniques in this process so long as they stick to the presentation of prompt, adequate, and truthful information.

We have already drawn the line at misleading propaganda and flamboyant press-agentry, not on moral grounds alone, but because we believe that the use of these techniques will lead inevitably to bad public relations. Even publicity for publicity's sake, as Dr. Harlow points out, can imperil the success of a good program.

There are times, in fact, when public relations is best served by no publicity at all. This does not imply an effort to cover up a questionable policy or bad bit of conduct but rather to prevent publicity from distorting the essential objectives of an organization. In the preceding chapter it was pointed out that college and university publicity often emphasizes extracurricular activities and campus trivialities to the detriment of the institution's real purposes.

Publicity is the business of informing people about the policies, conduct, and activities of an institution in order that the people will understand, appreciate, and have confidence in that institution. Serving in this capacity, publicity must be recognized as an important tool in the practice of public relations.

#### PUBLICITY AND THE NEWS

News is the most widely vended commodity in the country next to food. It touches the lives of more people more often than any other form of expression. News is not the exclusive property of newspapers alone.

News is disseminated through magazines, professional and trade journals, house organs, and various types of printed literature. It is broadcast over the air by radio and television. It is revealed through pictures in the newspapers and other periodicals. It is shown on the motion-picture screen. There can even be news in advertising.

Publicity is and must be news. Otherwise, it will not be used by the editors of these various media of communication. The only distinction between publicity and news worth recording is that made by authors G. C. Quiett and Ralph D. Casey in their "Principles of Publicity" published many years ago: "News is written from the viewpoint of one who wishes to be informed. Publicity is written from the viewpoint of one who wishes to inform others."

If publicity is to break into print, it must qualify as news. It must compete for readership with every other news story in the paper. The standard by which the reader judges it, is not where it came from but how interesting and significant it is to him. The more readers it interests, the better the story.

In preparing news releases or setting up a story for the newspapers to cover there is only one criterion. Will it be recognized by editors and readers alike as important and interesting? If not, a good deal of time and paper can be saved by forgetting it.

News is not merely the reporting of actions as they occur, although many publicity stories will cover such happenings. News can be created. That does not mean the employment of press-agent stunts and fakery to get a client into print. It means the conscious digging up of interesting and factual stories about an organization that might not otherwise come to light. The scope of the news is boundless, and the press of the nation, efficient as it is, can no more than scrape the surface of life's interesting adventures.

What happens in a secluded scientific laboratory may be of greater news value than what happens before a gathering of thousands of persons. This was true in the development of the atomic bomb. The work of an obscure employee, when revealed, may have front-page interest. Publicity can be tied up to fashions

in the news, to holidays, anniversaries, and events that have recently engaged the public's attention. There is no limit; there is a story in every office and department of an organization if effort is applied to ferret it out.

It is presumed, of course, that every public relations organization will have competent news, radio, picture, or magazine editors to carry on these functions as a supplement to the over-all public relations program.

#### RELATIONS WITH THE PRESS

One of the most important attributes of good public relations is good press relations. Newspapers and newspaper men are in a position to make or break an organization through good or bad publicity. It is well to remember too that the good deeds of an individual or organization are seldom worth recording in the press, but one bad slip-up can make front page headlines.

Personal relations with editors and reporters is the first requisite in good press relations. Knowing newspaper men, their ideals and aims, and their language will do much to establish better relationships. Where possible seek out their suggestions; always offer to cooperate. In programs of a civic or nonprofit nature they may be willing to serve on committees and in some cases to sponsor projects.

Give editors and reporters what they want, not what you think they should have, and give it to them when they want it. You have an inalienable right, of course, to submit anything to an editor that you may choose, but he is equally at liberty to print it or throw it in the wastebasket.

If your story is turned down, do not go over the head of the reporter or an editor to his superiors. Such tactics have occasionally succeeded in getting the story printed, but a lifelong enemy has been made in so doing. From a long-range viewpoint, that is bad public relations.

Every officer of an organization should make himself available to newspaper men at any time. The reporter's sole purpose in coming is to get a story. That's his business. The Standard Oil Company of New Jersey has compiled an interesting booklet for

guidance of its personnel in handling press interviews called "May We Quote You?" Here are some excerpts:

First let's say you have all the answers, and you can give them freely. Now, for the reporter's sake as well as your own, don't bore him with *every small detail relating to the subject*. Give him the main facts. . . .

Perhaps the information the reporter seeks is of a controversial nature. No matter how obvious it *may appear to you that the company is on the right side*, never indulge in indignation or enjoy the folly of taking a swing at the fellow with an opposite view of the issue; just explain the company's position as you know it and state it thoroughly and fairly. . . .

There'll possibly be a time, too, when a reporter asks for some data that you feel you should not divulge right then. That happens on occasion in all competitive enterprises, and so don't risk distrust with double talk or evasive answers. Tell the reporter frankly that the information he seeks is confidential and, if possible, tell him why it's confidential. . . .

On the other hand, you may decide that the reporter should have that information "off the record." . . . But should you decide to go "off the record," be absolutely sure there's no misunderstanding. . . . That applies even more emphatically to a telephone conversation because it's much easier to forget to return to the record without giving the necessary signal. Failure to let the reporter know when you're back on the record *may keep him from using the information you mention later*. Then, should a rival use that material, the reporter is going to feel that somebody, somehow, double-crossed him.

Then comes the occasion when you haven't the answers. . . . The reporter undoubtedly has run across this situation many times before, so don't try to be cagey and beat around the bush. Admit that you don't know, then be as helpful as you can. . . .

Another suggestion for good press relations: Do not use a press release for a story that the newspaper is willing to cover on its own. You will get a better play from a story done by the paper's own reporter. On the other hand, offer to cover the story if the editor cannot spare a man.

Finally, do not play favorites. If your institution initiates the story, give it to all the papers at once. Try to time your releases.

however, so that morning papers will receive equal "breaks" with afternoon papers, or vice versa. If a newspaper initiates a story about your firm, then it normally is entitled to an "exclusive."

#### PICTURES—STILL AND MOTION

If a picture can tell the story better, it is better to let the picture do it. Surveys have proved that pictures attract far more reader attention than "cold" type. The best way to get pictures in the papers is to have the newspapers take them. The next best way is to have a good news photographer in your office and a good file of pictures for every occasion. The worst way is to have to depend on commercial photographers who may know their cameras but who do not know what makes a good news picture.

News photographers on newspapers are often hard boiled and temperamental, but they are high-grade specialists and should be treated as such. They are no respecters of personages. They have photographed more celebrities than the average person has ever seen. Do not try to tell them their business. Cooperate with them in setting up the picture and providing the props, but let them run the show.

An added caution! In supplying newspapers with pictures, be sure to include all pertinent material in the captions even though a news story accompanies the pictures. Some papers throw away the story and run the picture. So make sure that the information in the caption is correct in every detail.

Where reporters and photographers are being sent by the newspapers to cover special events—demonstrations, conventions, open house, speeches, etc.—make sure to provide accommodations for them so that they may get the best coverage possible. Finally, drinks and gifts should be used sparingly, if at all, to obtain press cooperation. The best way to sell a newspaper man on a story is to have a story that sells itself.

The impact of motion pictures on the body public is undeniably great. It is said that more than 60 million people spend from 2 to 4 hours in motion-picture theaters every week. Many more see films in churches, schools, industrial plants, and in public and private gatherings.

million people. Dr. Charles W. Smith in "Public Opinion in a Democracy" says of radio:

*The time is approaching when almost every person in the United States will have access to a radio. . . . As the number of radios increases, the importance of the radio as an instrumentality for public enlightenment will increase. As long as it acts as a nonpartisan agency concerned with getting all important facts to the listeners, it will come nearer to bringing to the citizen a firsthand acquaintance with public affairs than any other agency that exists.*

The long-standing feud between press and radio has been partly resolved. Press associations now furnish radio stations with special digests of the news. Many newspapers have removed their ban on radio publicity and even run radio columns. Many of them, in fact, own or control radio stations in connection with their press enterprises.

However, local situations differ, and the public relations practitioner must be aware of all the factors that govern press-radio relations in any community. Some newspaper editors object fiercely to releases over the air prior to appearance of the newspaper on the street. Others will not send reporters to cover events that are broadcast over the radio. These conditions must be studied and a policy on news and news releases formulated that will gain the cooperation of both press and radio, if possible.

The popularity of radio newscasts was recognized by the broadcasting industry many years ago, and large sums are spent for news coverage today. Practically every local station features news programs. Publicity releases with news value, therefore, should be furnished radio stations, but where necessary the time of release should be made to coincide with the time of the newspaper publication. Radio representatives should be invited to participate in all news events along with the press—depending again on local conditions.

Relations with radio station managers and representatives should be on the same cordial basis as relations with editors and reporters. Such relations not only assure good news coverage for an institution but often offer opportunities for executives and



employees of your firm to participate in programs of a public service nature. Important visitors to your institution may be given time on the air for an interview.

Sponsorship of radio programs and commercials over the air by business institutions fall into the category of paid advertising, which is a form of publicity to be considered in the next section. What we have been discussing so far is that type of publicity that is essentially news, and as news it merits special consideration.

#### THE MEDIUM OF ADVERTISING

The relationship between public relations and advertising is, in one sense, very close and in another, quite remote. The growth of "institutional advertising" during the war to tell the story of what free enterprise was contributing to the war effort led many advertising agencies to believe they were doing public relations. John Orr Young, who has been both an advertising and public relations executive, comments on this confusion of terms in *Public Relations Directory and Yearbook* as follows:

The end of the war and the resumption of the production of civilian commodities will undoubtedly clarify the respective roles of public relations and advertising. Inevitably, most advertising agencies will concentrate more directly on the merits of particular products, commodities, and services. This does not mean they will not continue to lend their skills to assisting public relations; paid space "education" has been found too compelling and vital a medium not to have a voice in the over-all program. Once made aware of the distinctness of their separate provinces, advertising and public relations can be of inestimable benefit to each other.

It is true that advertising and public relations have much in common so far as the dissemination of information to the public is concerned. It is true also that there should be close coordination between advertising and public relations departments in the formulation and execution of a program. Their lines should not cross in the performance of their specific functions because, as has been pointed out before, the mission of each is ordinarily quite different.

A discussion of advertising techniques is not within the scope of this book. Advertising is an art with long years of development behind it. The student of public relations should understand the power and use of advertising as a supplementary tool; therefore, study of advertising texts and courses in advertising in colleges and universities are recommended.

*Advertising covers more than paid space in newspapers and magazines or time over the air.* Among the most effective media used by institutions seeking good public relations today are direct-mail advertising, throwaways, handouts, counter literature, envelope-stuffers, billboards, posters, car cards, calendars, blotters, and souvenirs. Everything from employment of sandwich men to skywriting can be included under the general term of advertising.

#### THE USE OF PUBLICITY

To summarize what has been said, publicity should be recognized as a vital force in public relations but should never be used as a substitute for public relations. Its function is to disseminate information about the organization that it serves with the single purpose of building public good will.

If that be the aim, then it follows that every piece of publicity put out by an organization should have a public relations purpose to fulfill. It should be keyed to the broad program. It should not contain matter extraneous to the objectives involved. For example, the Army prohibited publication of "cheesecake" photographs in connection with its activities during the war. Many institutions eschew the clever newspaper feature story as reflecting on the dignity of their operation. Radio programs that offer only entertainment may sell toothpaste and soap, but they do not add greatly to the public relations stature of their sponsors.

If all publicity material were carefully scrutinized before being released to determine whether or not it is increasing the prestige of an institution, there would be far less trivia in the newspapers and other media. This cannot be a matter for arbitrary decision of course. Advertising can be controlled, but publicity is pretty much at the mercy of the editors and directors of the chan-

nels of communication. How successful you, as a public relations practitioner, will be in controlling your publicity is a measure of your relations with media executives and with the sources of publicity in your own organization.

This chapter has been concerned mainly with the use of formal publicity media. There are many other approaches to the public of even greater importance to public relations, many of which will be discussed in the next chapter.

## Chapter 17

# Further Avenues to the Public

---

---

The real instruments of good public relations are people. How could it be otherwise? How people think and what they do with reference to any institution are all there is to public relations . . . and these elements are conditioned primarily by other people. It is well to be fixed on this point because the inducements to stray away from it are numerous and because otherwise it is impossible to develop a public relations program of much value.

C. E. PRAXON, *Public Relations for Colleges and Universities*.

It should be evident by this time that the public relations of any institution can be defined as the sum total of all the impressions made by the institution itself and the various persons connected with it. The appearance, the action, the speech, and the writings of every person associated with a college contribute toward the general impression of the institution, and any adverse opinion created, whether it be by the president, a student, or the switchboard operator, may have far-reaching effects.

W. EMERSON RICE, *Public Relations; A Program for Colleges and Universities*.

### PUBLIC RELATIONS AND PEOPLE

In the quotations above the emphasis is on people as the chief instruments of public relations—the people connected with an organization or institution. What they say, how they act, the impressions they make on other people—these factors will determine the strength of any program. This point was stressed in Chap. 1 in connection with employees of the American Telephone and Telegraph Company, and it was reemphasized in Chap. 5. However, because of its vital importance, let us examine the matter a little further.

People perform both a publicity and a public relations function. By what they say in discussions with other people, by speeches, by what they may write—they are the means by which the various publics are informed. On the other hand, *how* they perform these services and *how* they conduct themselves in their contacts with the public will be the true measure of their public relations impact.

It was pointed out in Chap. 5 that employee training programs to teach people how to act and what to say to other people can be used effectively. Or a campaign of persuasion may be undertaken through house organs, manuals, posters, leaflets, meetings, contests, and other such devices. However, it was also pointed out that true allegiance to the organization cannot be prompted by indoctrination and persuasion alone. Behind the organization façade there must be true honesty of purpose and fair dealing that will inspire employee loyalty and demand respect. This is so fundamental as to be obvious.

Word-of-mouth publicity, spread by ardent supporters of an organization, can be the greatest single public relations force there is. It can offset rumors, it can rally a defense, it can drive home points, it can spread the good deeds of the organization far and wide. *An institution that has that type of backing is blessed indeed.*

On the other hand, when an organization by its conduct incurs the disrespect of the people connected with it, there is no limit to the damage that can be done by word-of-mouth dissemination. Word-of-mouth publicity can be both useful and dangerous.

#### PERILS OF PUBLICITY

Even where publicity is controlled by the organization releasing it, there is always a risk in its use. There may be too much of it; it may be too highly colored; it may create the wrong impressions. Yet the hazards of uncontrolled publicity are far greater.

When an organization becomes the victim of a rumor, vicious gossip, or a canard, the public relations aspects can become alarming. Some individuals and some organizations, in fact, have

To use "no" letters just to get rid of the applicant is to miss an excellent opportunity to sell the true character and personality of your organization. . . . When the letters are written with a thought for the other fellow, they can do a good job of winning friends, building good will, and improving public relations.

There are many types of letters, of course, besides those sent in answer to inquiries. Among the *most effective* are the "unexpected" letters that people receive from organizations and institutions with which they have had dealings. An air line company sent personal letters of appreciation to all passengers who yielded their plane accommodations to persons traveling on priorities during the war. There is the year's-end letter thanking customers for their patronage and wishing them a joyful holiday season. There is the thank-you letter by the government department or civic institution to the volunteer who rendered some service. Even more important is the testimonial to an employee for work well done.

Some companies recognized the value of writing to their former employees who were in uniform during the war, but some of them made the mistake of promising too little when the boys came back to work. "Your old job back at the same salary" did not appeal much to the GI who knew what had happened to wage scales during the war, according to Corporal John E. Matthews in *Printers' Ink*.

Sincerity is the most important component of any letter. The letter need not be long; in fact, conciseness is to be commended. The public relations value of a personal letter is so *high* compared with its cost, it is curious that organizations so often neglect this matter. It should be understood that the authors are discussing here only the personal letter addressed to a particular individual and not to circular letters and direct-mail advertising.

#### THE SPEAKERS' BUREAU

A speech is like every other medium of public relations—a good one helps, a bad one harms. It should be a responsibility of the public relations department, therefore, to see that good speeches

are prepared for the members of an organization who deliver them, and that they are effectively presented when they are delivered.

The preparation may require merely the digging up of the necessary material for the speaker to use. It may consist in editing the talk, but as everyone knows, a large majority of the speeches delivered by important figures are ghostwritten. Regardless of the ethics of the matter, the fact remains that public relations and publicity men will continue to write speeches so long as conventions, dinners, and other public gatherings are held.

The matter of delivery of a talk is often beyond the public relations department's control, but there is a way to prevent a poor speech from being repeated. Establish a speakers' bureau through which all requests for speakers will be channeled. There are always persons in the organization who can make a good platform appearance. There are others who should speak for the organization but who need instruction in speech techniques. Some companies conduct public speaking courses for their executives and employees.

The speakers' bureau should be more than a division devoted to fulfilling requests. There is no better way to get an organization before the public than through short talks before school, church, club, fraternal, and civic groups. These organizations are constantly on the hunt for speakers who can inform and entertain. The public relations department is in a position to initiate such appearances through its bureau, but too much speaking, like too much publicity, can be damaging.

To have public relations value speeches need not be devoted primarily to putting over an organization's message. The good speaker who volunteers his services for a worth-while cause not connected with his business, reflects credit on the firm that he represents. As pointed out in a previous chapter, it is extremely important that the people of an organization show a willingness to join and to participate in community activities. There is no better way to impress a community or a region with your interest in its affairs than to serve as an officer, work on committees, or offer to speak and render aid in a campaign.

special event. Our own country's history is studded with examples. There was the driving of the golden spike that marked the completion of the first transcontinental railroad. There were the great world's fairs in Chicago, St. Louis, San Francisco, Philadelphia, New York, and other cities. And only recently there was the most significant special event of all—the atom-bomb test at Bikini.

Anniversary dates supply limitless opportunities for business organizations and civic groups to stage affairs. The first, twenty-fifth, fiftieth, one-hundredth or two-hundredth anniversary of anything is usually worth doing something about. In 1992, America will probably be celebrating the five-hundredth anniversary of her discovery by Columbus. Hardly a day, week, month, or year passes, in fact, that does not commemorate something of note. American industry has not been loath to capitalize on the opportunities for arranging special events. There was the light-and-power industry's Golden Jubilee in the twenties. There was General Motors' "Parade of Progress," a traveling display that rolled from city to city in the thirties, and now its "Train of Tomorrow." And during the war years, virtually every war plant in America was staging events, ranging from Army-Navy "E" Award celebrations to flying circuses.

The scope of special events seems without bounds. An event may consist of an open house by the local telephone company or the local manufacturing concern. It may be a series of specially arranged tours for the public of plants like Ford, General Electric, Westinghouse, and the Shredded Wheat Company at Niagara Falls. It may be a demonstration of a new type of airplane or a new farm tractor. It may be an exhibit of a firm's operations at a state fair. It may be the introduction of a new plastic. It may be a display of products in a downtown store window. It may be a convention, a parade, or a contest. It may be the "Freedom Train."

Special events can be purposeful affairs designed to interest, inform, and educate the public, or they can be publicity for publicity's sake only; just as at every exposition or fair there are buildings devoted to industrial and farm exhibits; and there is the midway with its barkers and ballyhoo.



## RESOURCEFULNESS NEEDED

The media of communication discussed in this chapter—everything from the employment of people as emissaries of public relations to the staging of special events—show the importance of the *inventive mind in planning and executing a program* or in dealing with difficult situations that need corrective action. The student who thinks of public relations primarily as an altruistic profession motivated by the desire of "doing good for those around us" will not perform a very practical function. Even though he accepts the broader concepts of this book—that public relations is a planned program of policies and conduct—he must still adjust his day-by-day activities to the business of winning friends and getting things done.

The authors recognize that many students will begin their public relations careers in a publicity capacity. Therefore, they recommend that the student make a study of publicity techniques as well as media.

The authors have consciously minimized the power of publicity throughout this book. They have treated lightly—perhaps too lightly—the activities of the press agents and publicists who today ballyhoo the motion-picture industry, travel resorts, politicians, and social climbers or who propagandize for various pressure groups. There is a reason.

Public relations has been associated too long in the minds of too many people with purely publicity efforts. The light is just beginning to dawn on some leaders that public relations cuts much deeper into the fabric of their institutions' lives and deeds. Publicity is still a very necessary tool of public relations. No practitioner could meet the challenge of this highly competitive civilization without a working knowledge of its power. But publicity alone is not public relations, and it never can be.

In the final chapter we shall discuss this distinction between publicity and public relations a little further and try to make a summation of what our study has brought out.

## Chapter 18

# The Future in Public Relations

---

---

---

It is not, of course, very important for public relations men to call themselves professionals in order to claim some measure of distinction. But it is important that they act professionally. Such a trend toward increased professionalism would have two clear advantages; first, it would help to bring some order into this very loosely coordinated field that we now call public relations for want of a better name; second, it would help to mobilize in the public interest some of the enormously effective skills and techniques that now exist.

STEPHEN E. FRITZGERALD, public relations practitioner, *Public Opinion Quarterly*.

A public relations policy envisaged solely in terms of propaganda, of word and symbol manipulation, is certainly a shortsighted policy. No amount of publicity can really stem the operation of basic, socialized forces. The method of control must be predicated on a continuous searching analysis of these fundamental forces.

PROFESSOR HARWOOD L. CHILDS, *An Introduction to Public Opinion*.

The social history of the United States is strewn with the shadowy bones of many a young and old institution that sought to function as it would without due respect for realities and with all too much respect for the alleged world-changing power of publicity.

ALFRED McCLUNG LEE, *Psychiatry*.

### PUBLIC RELATIONS AS A PROFESSION

Public relations has been variously described as an art, a science, a profession, a business, a game, and a racket. It probably has assumed each of these aspects at one time or another, but where does it stand today?

It is hardly an art since its skills and techniques have not been

adequately fashioned through experience and study. It is not a science, as it offers no systematized body of knowledge in a distinct field of investigation. It is not yet a profession because that implies the existence of well-developed professional ideas and standards. It is probably nearer to being a business than anything else because it is an enterprise that demands time, attention, and labor as a primary concern. As for the last two appellations—game and racket—it is hoped that public relations was graduated from that class long ago.

Some practitioners will argue that public relations has now reached or almost reached the stature of a profession. However, Mr. Fitzgerald, who is quoted above in *Public Opinion Quarterly*, has this to say:

When we use such professional terms as architecture or advertising or medicine or law, we have a reasonably clear idea of what we mean. This is not the case when we talk of public relations. We can and do have opinions about what this phrase signifies; we can and do have ideas as to what the activity referred to should be. But when we use the techniques of descriptive analysis, it becomes abundantly clear that the things public relations men actually do are marked to a large extent by variety, not uniformity. The trouble is not that the phrase public relations has no meaning; the difficulty is that it means too many different things.

Mr. Fitzgerald's article is so pertinent to this discussion that the authors beg leave to borrow more of it. His definitions of the five general classes of practitioners in the field today bear out what has been said in previous chapters of this book.

1. *Press Agents and Publicity Men.* Their principal functions are to use the media of communication to focus public attention on some one thing or person. Their activities, though often useful and good, are sometimes not so good. In practice most of their time seems to be spent in cultivating for their clients the "favorable light" of public opinion.

2. *Information Men.* They also use the media of communication, but their principal function is to act as a clear channel for the flow of information between their organizations and the public. Most government agencies and some business organizations have information

departments. The head of such a department is often called the "Director of Information." Presumably, though this is not always the case, a "Director of Information" is more impartial and therefore less suspect than a "Director of Publicity."

3. *Public Relations Men.* Many organizations, public and private, have directors of public relations. The title is supposed to imply that the official designated has duties broader than those involved in publicity, that he has something to do with the formulation of management decisions. This is often the case, increasingly so of late. Historically, however, the public relations director who is an integral part of the organization for which he works has usually had a great deal to do with publicity. (Mr. Fitzgerald says, "The distinction throughout between public relations and publicity is not intended to indicate that there is anything wrong with publicity; it is intended to indicate that a great difference exists between the two, and that publicity, when most validly used, is simply an arm of public relations.")

4. *Public Relations Counsel.* A public relations counsel operates very much like legal counsel. He serves his clients in a confidential capacity in the counselor's role. He is equipped to handle operating problems, of course, and frequently does; he is not an ivory-tower dweller. There is, however, in his relationship with a client, an emphasis on broad management problems and policy. In the final analysis, the public relations decisions of a company are a function of top management; counsel, however, can be and often is of enormous aid in the formulation and execution of policy plans, bringing to this work both a useful objectivity and technical skills.

5. *Propagandists.* They may or may not have the public interest at heart; they may or may not work for sound causes. It is difficult to define the word *propaganda* effectively, for it bears today a universally sinister connotation. It is customary, however—and in this context useful—to think of it as having to do with the organized spreading of a doctrine or a point of view.

#### ETHICS IN PUBLIC RELATIONS

Until such time as public relations is generally recognized as a profession, it would be presumptuous to draft a code of ethics. Dr. Rex F. Harlow, however, has set forth certain ethical principles in his book "Public Relations in War and Peace," to which all might subscribe. "Public relations activities must be honest,

truthful, open, authoritative, and responsible; they must be fair and realistic, and they must be conducted in the public interest."

It is probable that for some time public relations counsels and workers in the field must set their own standards of conduct. However, in fairness to his calling counsel should not accept a client whose standards do not measure up to his own, in the opinion of Edward L. Bernays, who writes:

In law the judges and jury hold the deciding balance of power. In public opinion the public relations counsel is judge and jury because through his pleading of a case the public is likely to accede to his opinion and judgment. Therefore, the public relations counsel must maintain an intense scrutiny of his actions, avoiding the propagation of unsocial or otherwise harmful movements or ideas. It is in the creating of public conscience that the counsel on public relations is destined to fulfill his highest usefulness to the society in which he lives.

The problem of ethics comes back inevitably to the question of the practitioner's recognition of his social responsibility. As Dr. Hartwood L. Childs says:

This social responsibility is as definite as the social responsibility of the lawyer and seems today to be perhaps even more vital. In the race of competing propagandas the important thing is the enlightened thinking of all Americans. The real success of a public relations campaign cannot be measured by the yardstick of popular enlightenment. The democratic thesis will not work unless public relations men are true to their social responsibilities and seek to enlighten rather than befuddle their fellow men.

When public relations becomes primarily concerned with building public confidence and increasing public understanding, then it can assume the dignity of a profession and draft a code of ethics that will distinguish it from the propaganda and publicity business.

#### TRAINING IN PUBLIC RELATIONS

Although at least 30 colleges and universities now list courses labeled public relations, the subject is still undiscovered in many institutions of higher learning. Recognition of public relations

as a valid part of a university curriculum has been as slow in developing as its recognition by top management, according to Millard Faught in *Tide*, who writes:

With a few exceptions, the best any business school has to offer the aspiring public relations student is an "afterthought" course taught by some already overburdened professor of advertising or marketing. Much the same can be said about neglect of the subject by schools of journalism, even though ex-newspapermen make up the largest single "source" of current public relations personnel.

Among the exceptions is New York's City College. In 1945 its School of Business and Civic Administration offered a single course in public relations at the evening session. Kalman B. Druck, research director of Carl Byoir & Associates, Inc., pioneered at the college with a course in advertising, which he quickly reshaped into public relations as the need became apparent. In 1946 the college offered five courses: general introduction; advanced study; business news writing; pictorial graphics; and public opinion measurement.

A similar expansion has taken place at Manhattan's New School for Social Research. Where in 1945 the school offered only one course in the field, it now offers eight conducted by Benjamin Fine, *The New York Times* education editor, Karl E. Ettinger, *Public Relations Directory and Yearbook* editor, and others.

*The first school of public relations to be opened in any American university was announced by Boston University for the 1947-1948 academic year. Operating as a senior college and graduate school, the public relations division will require two years of liberal arts as an admission prerequisite, plus evidence of skill and aptitude for work in the field. Bachelor of science and master's degrees will go to qualifying graduates.*

#### THE ARMY AIR FORCES COURSE

Probably the most complete curriculum in public relations to be offered by any educational institution is to be found at the Air University Special Staff School, Craig Field, Ala. The course was established in January, 1945, at Orlando, Fla., later moved to

Craig Field, and has graduated several classes of public relations officers. A breakdown of the 1947-1948 course shows the variety of subjects taught and the number of class hours devoted to each:

Public opinion .....	12
Social psychology .....	9
Public relations in business, labor, and government. ....	15
Internal and community relations .....	6
Administration and planning .....	21
Press relations and techniques .....	26
Radio .....	19
Photography and motion pictures .....	17
Graphics and advertising .....	6
Public speaking and speech writing .....	24
Post newspapers .....	8
Special events .....	16
Magazines .....	6
Guest speakers from military and civilian life .....	53
Reports and projects .....	20
Total .....	230 hours

As indicated previously, the Army Ground Forces has a similar course in public relations at Carlisle Barracks, Pa. The result is that the military establishment today is being conducted on a much higher public relations level than at any time in its history.

#### THE PUBLIC RELATIONS FIELD

Today there are more than 250 firms and individuals in New York City alone who lay claim to the public relations title. Chicago has more than 60; Los Angeles, 30; and Washington, D.C., 25. *Advertising Age* estimates that the 20 topflight firms in New York and Chicago share total fees in excess of 8 million dollars, excluding out-of-pocket expenses.

In addition to the many independent public relations firms in the United States advertising agencies are expanding into the field. More than half of them offer a complete publicity service on some form of a fee or cost basis. How many other individuals and firms throughout the United States are in some phase of the public relations business, it is hard to estimate.

There is a large backlog of people, formerly in information and public relations work in government agencies or in the armed

forces, who are setting themselves up in business or seeking jobs. Finally, of course, there are thousands of employees working in the public relations departments of business and industrial organizations, trade associations, government agencies, and civic and charitable enterprises.

#### *CAREERS IN PUBLIC RELATIONS*

Despite the apparent overcrowding of the field at the moment, there is ground for optimism in the future. As Edward L. Bernays comments in his recent book, "A Growing Profession," "Competition is more than offset by the ever-increasing numbers of groups and individuals who have need for public relations."

Dr. Alfred McClung Lee, formerly co-chairman of the Committee on Education and Promotion for the National Association of Public Relations Counsels (now the Public Relations Society of America), which is interested in aiding teachers of public relations courses in colleges and universities, has this to say:

There is an oversupply at present of ill-trained and nonprofessional public relations "experts," so called. But there is also a tremendous undersupply of adequately trained specialists who can take their places in this highly important field.

What should constitute a good course of training for a public relations career? All the books on the subject, including this one, merely scratch the surface. Nor can a few extension courses in public relations adequately furnish the background needed.

Education in public relations should start with a 4-year university course with emphasis on the social sciences—history, political science, sociology, and psychology. Studies in economics and business should include, among others, business management, employee relations, labor relations, and the principles of marketing and advertising. Certain journalism subjects might be added such as news writing, radio writing, and publicity. Young men and women interested in the field should survey the curriculums of the various institutions to determine whether all or most of these subjects are offered.

Whether a newspaper training is a *prime essential* or not in



preparing for a public relations career might be argued, but in the opinion of the authors a journalistic background can be an invaluable aid. Newspaper workers, because of their training, are experienced in judging public attitudes and reactions. Moreover, much of public relations has to do with newspaper opinion and newspaper cooperation. The man who knows how to create favorable news and prepare it so that newspapers will print it has an inside track on his nonjournalistic colleagues.

There is room also for the researcher in public relations, the student of social psychology, of business management, and—for want of a better term—the student of social engineering. For public relations needs not only good advocates but good analysts and advisers. The public relations man who can offer all three qualities is a “natural.”

There is definitely a place for women in public relations, according to the best authorities. Mr. Bernays writes that “the demand for women of imagination, acumen, and practical judgments exceeds the present supply.” Just as women have made themselves a place in the advertising field, they are showing equal aptitudes in public relations careers.

#### CONCLUSION

In this chapter the authors have defined public relations rather arbitrarily, for want of a more descriptive term, as a business. As in other businesses it requires study, research, and experience. All the factors described in the preceding chapters are parts of the business of public relations and helpful in the development of the public relations expert.

However, lest the student or the businessman who is attempting to understand this subject feel that it is too complicated or too difficult to undertake, the authors would like to close with a word of encouragement. Basically, the object of good public relations is to win friends for the cause, the institution, or the enterprise one represents. The winning of friends, while involving many points of personality, ability, etc., is essentially a matter of common sense. Perhaps it would have been better for the student if the title of public relations had never been conceived.

As we have seen in this study, public relations can mean all things to all people. Perhaps it would have been better to have coined the title "director of common sense."

Good public relations actually is so simple, so easily attainable, so inexpensive, and so downright sensible that it is difficult to understand why some people persist in trying to make of it something mysterious or difficult. It is well to remember that everything you do, everything you say, contributes to somebody's opinion of you. If your actions or your words are such as to make people like you or, in the case of a company, to make people want to do business with you, then it may be said that your public relations is good. If your actions or words are such as to make people dislike you, then your public relations is bad. It is as simple as that.

# Index

---



---



---

## A

Absentee ownership, 109  
 Advertisements, use of, in strikes, 100, 101  
 Advertising, public relations in, 149  
 Aldrich, Winthrop W., 147  
 Allen, Gordon H., 108  
 American Association of Small Loan Companies, 150, 159  
 American Bankers Association, 158  
   customer relations of, 182  
 American Medical Association, 188  
 American Petroleum Institute, 92  
 American Red Cross, 190  
 American Telephone and Telegraph Company, 7, 61  
 Annual reports, 186  
 Army Air Forces public relations curriculum, 222  
 Association of American Railroads, 73

## B

Bank of America, 146  
 Bentis, T. Eugene, 116  
 Benge Associates, 75  
 Betnays, Edward L., 30, 38, 70, 221  
 Blackburn, Clec, 9  
 Boy Scouts of America, 191  
 Braun, T. W., 42, 49  
 Broughton, Averell, 31  
 Burnett, Vera, 68, 78, 135, 184, 196  
 Butler, Ralph Starr, 95, 110

## C

Casey, Dr. Ralph D., 52  
 Chain store taxation, 118

Childs, Professor Harwood L., 1, 14, 27, 34, 218, 221  
 Church, David McLaren, 1, 106  
 Collins, Kenneth, 67  
 Committee for Economic Development, 87  
 CIO United Steelworkers of America, 130  
 Committee program, 111  
 Community relations, Bank of Clarks-ville and, 120  
 Caterpillar Tractor Company and, 113-114  
   chain stores and, 113-115  
   Franklin Square Bank and, 120  
   General Foods Corporation and, 113  
   General Motors and, 112  
   General Shoe Corporation and, 114  
   Safeway Stores and, 118  
   Sylvania Electric Products Co., Inc., and, 115  
   Valley Bank of Phoenix and, 121  
 Cooney, Ralph B., 46  
 Carliss, Carlson J., 73  
 Cason, Thomas L., 185

## D

Dickinson, John, 14  
 Dincock, Marshall E., 163  
 Dodge, Martin, 19, 173, 182  
 Du Pont de Nemours & Co., Inc., E. I., 10-11, 144

## E

Employee desires, basic, 102

## F

Faught, Millard, 53, 110, 123, 151, 164,  
222

Fingerald, Stephen E., 218-219

Flanner House, 9

Foots, Emerson, 76

Ford Motor Company, 38

## G

Garrett, Paul, 27, 49, 53, 108, 112

General Electric Company, advertising  
of, 101

public relations, 140

employee policy of, 106

General Motors public relations pro-  
gram, 50

Giannini, A. P., 147

Graham, Annette, 211

Gray, Professor N. S. B., 54, 59, 95, 153

Graves, Lee, 100-101

Green, William, 176

## H

Harlow, Rex F., 106, 230

Harral, Stewart, 181

Holliday, W. T., 54

Hook, Charles R., 42

House organs, types of, 214

Hower, Royce, 169

## I

Institute of Life Insurance, 154

## J

Johnson, Helgar J., 154

Jones, John Price, 1

## L

Lee, Alfred McClung, 218, 224

Lerner, Max, 32

Levy, Harold P., 191

Lindley, Ernest E., 163

Lydgate, William A., 31

Lynch & Collins, 176

## M

McCauley, James L., 165, 167

MacDonald, J. Carlisle, 42

McDowell, Richard, 150, 152-153

McGraw, James H., Jr., 19

Macy, R. H., & Co., 117

Marshall Field & Company, 8

Moulton, Dr. Harold G., 94, 97

## N

National Education Association, 187

Nejelski & Co., report on survey of, 48

Newsom, Earl, 20

Nichols, Colonel William P., 12

Nystrom, Paul H., 127

## O

Opinion, influence on, of books and  
magazines, 24

of experience, 22

of miscellaneous factors, 21, 25

of motion pictures, 25

of newspapers, 23

of radio, 24

Opinion Research Corporation, 72, 74

## P

Page, Arthur W., 27, 49, 56, 54

Palmer, Greta, 195

Pendray, G. Edward, 186

Persons, C. E., 206

Political Action Committee, 177

Public agencies conducting, 71

of public opinion, 68-69

Presidents, dealing with, 64

Press agencies, function of, 57, 33

Press interviews, how to handle, 200

Propaganda, definition of, 32

Public relations, advertising in, 140

check chart in, 52, 53

decentralization of, 113

Public relations, definition of, 3-5, 40  
     leaders in, 43, 44  
     problems of airlines with, 125  
 Public relations planning, need for, 79  
 Public relations specialist, function of,  
     54  
 Publicity, place of, 38  
 Publics, composition of, 17

## Q

Queeny, Edgar M., 1

## R

Rack, W. Emerson, 184, 206  
 Riesel, Victor, 173  
 Robinson, Dr. Claude, 65, 72  
 Roth, Arthur T., 120  
 Ruth, Chester W., 94

## S

Sears, Roebuck and Company, 90  
     Agricultural Foundation of, 90  
 Seattle Childrens Orthopedic Hospital,  
     194

Selva, James F., 79  
 Smith, Dr. Charles W., 291  
 Smith, Weston, 123, 134  
 Standard Oil Company of New Jersey,  
     185, 144, 199

## T

Tell, Byron, 49, 52, 53  
 Tobin, Daniel J., 179

## U

United States Army Air Forces, 18  
 United States Steel Corporation, 145

## W

West Coast Lumbermen's Association,  
     Portland, Ore., 161  
 Westinghouse Electric Company, 141  
 Wilkinson, Charles S., 76  
 Worthy, James C., 101

## Y

Young, John Orr, 123, 205